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THE JOURNAL OF THE AMERICAN
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Public Administration Review

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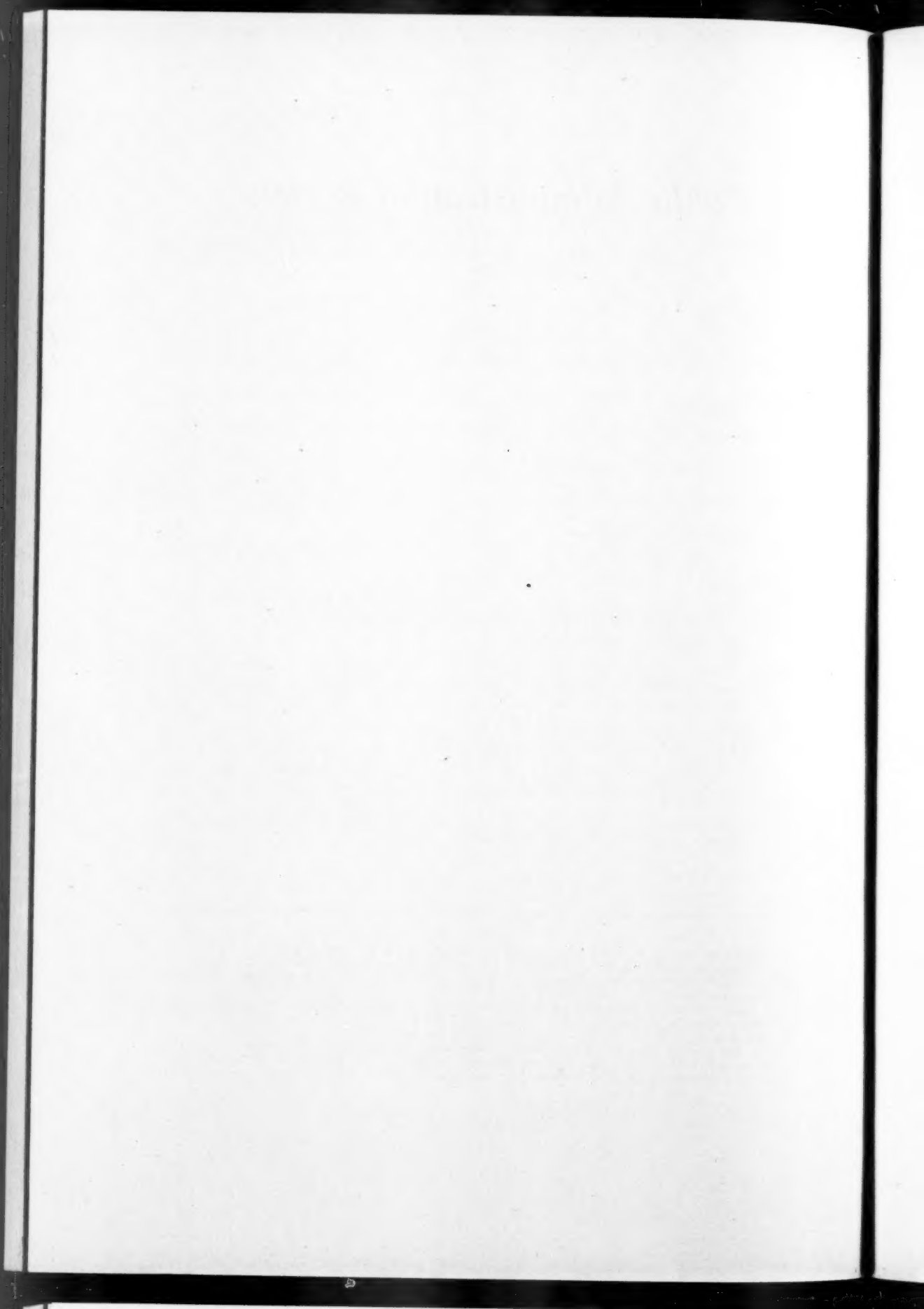
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IN THE NUMBER

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Public Administration Review is intended to promote the exchange of ideas among public officials and students of administration. The various views of public policy and public administration expressed herein are the private opinions of the authors; they do not necessarily reflect the official views of the agencies for which they work or the opinions of the editors of this journal.

Administering the Employment Act— The First Year

By RALPH E. FLANDERS

United States Senator

THE Employment Act of 1946 has been in operation one year. When passed it was heralded as the most significant administrative implementation to the formulation of public policy since establishment of the federal budget system a quarter of a century earlier. The framers of the act realized that, important as are its goals of maximum employment, maximum production, and maximum purchasing power, the act would serve no real purpose unless adequate governmental machinery was provided for carrying it out.

The act called for the President to transmit an economic report to the Congress at the beginning of each session. The nature of this report was indicated. In general it was to present a picture of the economic health of the nation, discuss trends, and appraise federal economic programs. Also, it was to contain a program and legislative recommendations for carrying out the policy of the act. The President was authorized to transmit supplemental reports to the Congress.

To assist the President in discharging this responsibility, the act created a three-member Council of Economic Advisers in the Executive Office. Specifically the Council was charged with (1) helping the President prepare economic reports to the Congress, (2) gathering and interpreting information for the President relevant to current and prospective economic conditions, (3) studying and reporting to the President the effects of federal economic programs, (4) developing and recommending to the President national economic programs, and (5) making whatever other studies and recom-

mendations with respect to federal economic policy and legislation the President might request. The act stated the qualifications that the members should have and gave broad powers for staffing. While the Council was given no operating functions, it was empowered to form advisory committees and consult with the various private economic groups and state and local governments. Furthermore, the Council was directed to "utilize the services, facilities, and information . . . of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided."

The Council was charged under the statute with making an annual report to the President each December. This report is not to be confused with the President's economic report to the Congress. The Council's report is considered an administrative report similar to the annual reports made by most operating agencies. It is not conceived as providing materials for inclusion in the President's economic report.

The Employment Act placed great responsibility on the Congress in carrying out the policies of the act. The Joint Committee on the Economic Report was established to help the Congress meet this responsibility. The fourteen members of the Committee were to be drawn equally from the Senate and the House of Representatives. The Committee's functions were (1) "to make a continuing study of matters relating to the [President's] Economic Report," (2) "to study means of coordinating programs in order to further the policy of this Act," and (3) "as a guide to the several committees of the Congress," to report to the Senate and the House by February 1 "its findings and

NOTE: This paper has been prepared with the assistance of Dr. Grover W. Ensley of my office.

recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations . . . as it deems advisable." The Joint Committee was authorized to organize a professional staff to assist in its endeavors.

But aside from these specific and general statutory directives which, in the main, appear adequate after one year's experience, the act left to the agencies involved the job of establishing workable procedures and developing sound relationships within the executive and the legislative branches of the government, between these two branches, and with the outside world. Even with the soundest economic thinking in both Congress and the executive agencies, economic policy would be little improved as a result of the Employment Act unless proper procedural relationships were established and maintained. Thus, while the act placed particular responsibility on economists, it placed great responsibility on students and practitioners of public administration.

The first chairman of the Council of Economic Advisers recognized the vital role of public administration in carrying out the objectives of the act. In addressing the annual meeting of the American Society for Public Administration in March, 1947, he stated:

May I invite you as specialists in public administration to propose or to respond to such consultative or operating relations as may best bring the professional training and business experience of the United States to bear on the perennial and widely ramifying adjustments through which alone our complex industrial economy may be kept running at a rate approximating its potential productive efficiency.¹

This paper, therefore, has as its purpose an analysis of the operating procedures developed during the first year by the agencies charged with carrying out the act. But rather than merely enumerate the accomplishments, and much has been accomplished in this short period, it will focus attention particularly on those relationship problems which represent danger signals to the successful functioning of the act. It is believed that certain operating

policies initiated during the first year can and should be modified and that new procedures should be adopted promptly to assure the act's success in the second and succeeding years.

The Council of Economic Advisers to the President

THE President appointed the three members of the Council in July, 1946, five months after the Employment Act became law. While the Council was not charged by statute with operating functions, in the usual sense of the term, it was, nevertheless, faced with significant administrative problems during the first year. These may be summarized as (1) working out its own organization, (2) establishing proper relationships with the President, (3) developing sound working relationships with other executive agencies, (4) arranging for maximum assistance from nongovernmental agencies, and (5) creating a satisfactory relationship with the Joint Committee on the Economic Report.

Selection of professional staff was slow and represented the first serious problem for the Council. The pressing staff requirements of universities with swollen enrollments made it difficult at first to attract persons of high professional qualifications. Furthermore, the reaction of many competent people, following the war and demobilization, was to leave government service for work in private business. Rather than quickly appoint a full but mediocre staff, the Council elected to start formal operations on October 14, 1946, with a skeleton staff of only five full-time and part-time top professional people. As competent personnel became available, the staff was expanded. By April, 1947, the total professional and clerical staff, including the three members of the Council, reached twenty-eight; it increased to thirty-eight by June 30, 1947.

Selection of staff has been made in accordance with the Classification Act and hence within the \$10,000 ceiling—even though the Council is free under the Employment Act to make appointments without regard to civil service limitations. The average pay of Council personnel is presently \$6,200, probably the highest for any government agency. This, of course, is defensible in that the Council is a top-level professional agency. It is charged by

¹ Edwin G. Nourse, "Public Administration and Economic Stabilization," *Public Administration Review*, 92 (Spring, 1947).

statute to rely on government and nongovernment agencies for information needed for purposes of advising the President on economic policy, and can therefore dispense with a large staff of statistical clerks and other extensive personnel required for doing economic spade work.

The Council's budget program for the fiscal year 1948 calls for forty-eight positions with ten top functional heads responsible for particular areas of the economy. The members of the Council assume special responsibility for coordinating certain of these areas and for relations between the Council itself and the top staff personnel. These functional areas are: (1) labor market and labor relations; (2) plant capacity, investment, and management; (3) agriculture and food; (4) flow of income, goods, and services; (5) price relations and price policies; (6) international economic relations; (7) development of human and material resources; (8) construction and public works; (9) veterans, social security, and welfare; and (10) taxation, debt, and banking.

The Council met with the President from time to time during the first year, particularly preceding transmission of the President's economic reports to the Congress. There has been established a regular quarterly meeting of the Council with the President and Cabinet. All the evidence suggests that the President has relied heavily on the Council's advice on matters of economic policy.

Working relations with other executive agencies are rapidly being established. The Bureau of the Budget provides library, procurement, and personnel services to the Council on a reimbursable basis—a commendable procedure in light of the small Council staff, physical location of the two organizations, and the fact that both are in the Executive Office of the President. In the important substantive areas, the Council and the top professional staff have developed channels for the flow of information from the several executive agencies charged with administering federal economic programs. These arrangements enable the Council to obtain information upon which to reach its conclusions for presentation to the President and to synthesize the views of the executive agencies for the President.

An important role of the Council is to bring

together the best economic thinking outside as well as inside the federal government. The statute specifically asked the Council to consult with "representatives of industry, agriculture, labor, consumers, State and local governments, and other groups," and to utilize services of private research agencies. The Council has undertaken to meet with leaders of these economic groups four times a year, and staff relationships with technical people outside the federal service are developing. The Council contemplates reimbursing certain nongovernmental research agencies for studies to fill gaps in the government's economic information.

On the whole, the Council has made significant progress in the short period of its existence in working out the above-mentioned administrative problems. The Council's effectiveness was evidenced by the ability of the President to transmit the first economic report in January, 1947, on schedule and a midyear report in July, 1947. It has been widely noticed that the factual information in these economic reports is much more current than we have been accustomed to receive in other executive documents. Today the Council is a going concern.

But there remains to be developed a satisfactory working relationship with the Congressional Joint Committee on the Economic Report. A fundamental question of administrative policy which the Council had to determine almost immediately was the extent to which it would cooperate with that Committee. Is it the Council's job only to gather facts, make economic analyses, and provide advice and recommendations to the President? A literal reading of the section creating the Council would possibly permit this restrained and academic attitude on the part of the Council. It may be reasoned that the work of the Council is intended to equip the President to make wise economic policy decisions and recommendations to the Congress; that the decisions and recommendations once made become the responsibility of the President; and that the professional character of the Council would be lost if it appeared before the Joint Committee of the Congress to defend or even to elaborate on the analyses or recommendations presented by the President. It is pointed out that the views of the Council may differ from those of the President and that

the stature of the Council would be harmed if such differences of opinion became generally known.

An alternative policy would be to perform the tasks specifically enumerated in the statute and, in addition, assist the Congress in any way necessary to secure adoption of the President's economic programs. The Employment Act, taken as a whole, would suggest that the combined machinery created should work in the directions of achieving maximum employment, maximum production, and maximum purchasing power. Such an interpretation—which appears to be more in line with the spirit of the act—would permit the Council to meet with the Joint Committee whenever such action would facilitate the formulation of public policies which would aid in achieving the high objectives of the act.

It is suggested that from the standpoint of bringing into focus the President's report to the Congress, and particularly before the Joint Committee, much could be gained from a meeting—executive or open—at which members of the Council could present and elaborate on the economic reasoning underlying the President's report. The economic report, proponents of the broader interpretation of the Council's functions point out, is the only comprehensive statement transmitted by the executive branch to the Congress that is not supported by oral testimony of an executive agency. The federal budget is given as an example. Not only is the Director of the Bureau of the Budget on call to amplify and defend the budget in whole or in part, but each agency must justify and defend the President's recommendations in respect to itself—even if these recommendations are adverse to its own views and wishes. It is true that embarrassing situations may arise if the President does not take the Council's advice. If there should be consistent major differences on important economic issues the Council naturally would be apt to resign, and should resign. Of course, it must be recognized that economic considerations must be relegated to a position of secondary importance in some instances. The President must balance the economic with the military, the political, and other factors in formulating his over-all program and in recommending legislation to the Congress.

In practice the Council has moved away from being purely an academic agency. Proof of this is the meritorious Council practice of meeting with the President's Cabinet periodically and of entering into public discussions and debates on economic policy. However, the policy of the Council toward the Joint Committee was one of aloofness during the first year. The Chairman of the Council, in conversations with members of the Committee, urged that the Committee refrain from asking the Council to elaborate on the President's economic reports. Furthermore, members of the Committee were prevailed upon not to ask the President to direct the Council to sit down with the Joint Committee. During the first year, the relations between the Council and the Joint Committee consisted primarily of the Council's giving support, at the request of members of the Committee, to appropriations for statistical agencies and the Council's own appropriation. Lack of interchange of views at the Council-Committee level largely applied at the technical staff level as well. There were, however, some informal exchanges of factual source materials and attendance of Committee staff at some Council conferences and of Council personnel at some Committee hearings.

Modification of Council policy to permit a closer working relationship with the Joint Committee at the policy and staff levels appears imperative. This is particularly true because the principal elements of an economic policy geared to carrying out the objectives of the Employment Act must be adopted by the Congress. Every attempt should be made, therefore, to assist the Congress in this endeavor. It is encouraging to note that the members of the Council are beginning to appreciate this problem and progress may be expected in the direction of a closer relationship between the two agencies.

The Joint Committee on the Economic Report

MEMBERS of the Joint Committee were not appointed until July, 1946, shortly before the end of the second session of the 79th Congress. Staff was not employed and work was not undertaken during the 79th Congress. Organization of the Committee in the new 80th Congress got off to a slow start. New members were appointed in January, 1947, to replace

those defeated in the November, 1946, election and those resigning. Hiring of three professional staff members, however, was not completed until May, 1947. The Committee's report submitted to the Senate and House on January 31 was short and apologetic. It did not attempt to consider the legislative proposals contained in the President's January report. With respect to the President's short-range recommendations dealing with rent control, minimum wages, social security, housing, taxes, and labor, the Committee merely indicated that standing committees of the Congress were currently studying these matters. The report, however, promised that the Committee would proceed to consider these problems with reference to their effect on the economy. No action in the form of guidance to the committees of the Congress followed, however, during the remainder of the session.

The President's midyear economic report (July, 1947) received only cursory attention from the Committee. A staff-written preliminary analysis which raised some questions of economic philosophy and reasoning was never discussed by the Committee. However, had this analysis been considered in the absence of oral testimony by the Council of Economic Advisers, the President's position on the points at issue would not likely have been given adequate hearing because of the obvious and understandable difference in approach of the Committee staff from that expressed in the report.

Work of the Committee and the staff during 1947 consisted largely of organizing and holding hearings on the economic outlook and particularly on the cost of living, first in Washington and during the fall recess in the field. Questionnaires were also used to elicit the views of business, agriculture, labor, and economists. In addition, in May, 1947, Dun and Bradstreet made an independent survey of these groups for the Committee as a public service. A concurrent resolution passed in July, 1947, specifically called for the Congress, under the Joint Committee, to hold hearings and report on the cost of living in early 1948. This resolution was technically unnecessary as the Joint Committee already had power and plans for such studies. It did, however, authorize appointment of additional members of Congress to sit with the

Committee temporarily and \$25,000 to be expended for this specific study.

The approach of the Committee during the first year, therefore, was to solicit views of various nongovernmental groups and individuals. The time of the Committee staff was devoted to facilitating this venture, with the result that it had little time for synthesizing information, for focusing attention on pending legislation, or for studying contemporary economic theories. A factual staff report on the food situation constituted the only study completed. The Committee did not face up to its responsibility of evaluating economic policy. The Council of Economic Advisers, on the other hand, while consulting with nongovernment leaders in the field, concentrated its activities on analyses of current economic developments, based largely on source materials provided by the executive agencies, and on appraising and interpreting professional economic thinking.

These differing approaches by the Committee and Council appear satisfactory to a certain point. But the end results must be synthesized by the Committee for purposes of carrying out its statutory responsibilities of (1) reporting to the Congress on the President's report by February 1, and (2) guiding substantive committees of the Congress on legislation throughout the year.

Expansion of staff and relief of members from other major committee responsibilities seem imperative if the Committee is to carry out both of these responsibilities properly. The Committee staff, first of all, must be adequate to permit organization of materials independently for the Committee's February 1 report. To the fullest extent possible the staff should work with the staff of the Council in this endeavor. This preparatory work should be done in the late fall in anticipation of the President's report. The full Committee should meet at least once during this period to consider staff outlines for the Committee report. This staff work and Committee meeting are scheduled for late fall of 1947. Further planning would call for a preliminary Committee report to be available to each Committee member when Congress assembles early in January. With these materials before them, the Committee and staff should devote themselves during January to an analysis of the President's report for pur-

poses of completing their own report to the Congress by February 1. The staff should provide the Committee with a careful analysis of the President's report together with an appraisal of the recommendations contained therein and a check list of policy issues to be considered by the Committee. After the Committee has had an opportunity to study the President's report and the staff's analysis, there should be a meeting of the Council of Economic Advisers and the Joint Committee with their respective staffs in executive session. This meeting would provide the Committee the opportunity to question the economic reasoning underlying the President's report—much in the same way that the Director of the Bureau of the Budget meets with the Joint Committee on the Legislative Budget. A number of meetings of the full Committee should be held during January in an endeavor to evaluate each policy issue raised in the President's report and to complete its report as called for by the act.

In addition to its statutory responsibility in connection with the President's economic report, the Committee also has responsibility for presenting supplemental reports on specific pieces of pending legislation as a guide to the substantive committees. This responsibility has not been fully recognized by the Committee to date. It is clearly implied in the act, however. The Committee is charged, among other things, with making "a continuing study of matters relating to the Economic Report; . . . coordinating programs in order to further the policy of this Act; [making, in addition to the annual report,] such other reports and recommendations to the Senate and House of Representatives as it deems advisable."

As an adviser to the several committees of the Congress on specific economic matters, the Committee faces a delicate question of relationship. To avoid any possible criticism on the part of other committees the few recommendations made during the first year were informal—members of the Joint Committee carrying the word to members of the committee having primary jurisdiction over the subject bill. This procedure, of course, was facilitated to a limited extent by cross membership. Members of the Joint Committee were on ten of the fifteen standing committees in the Senate but only six of the nineteen committees in the House. A

number of the committees which were not represented were of no great importance in implementing an economic program, but it would seem to be an omission to have had no members of the House Appropriations or Ways and Means Committees on the Joint Committee when these two groups are so important in establishing government fiscal policy. Neither the Senate nor the House Committee on Foreign Relations was represented on the Joint Committee.

While this informal procedure may have been justified during the first year because of lack of staff and in order to allay criticism by the standing committees, it is too piecemeal as a regular proposition. Rather definite procedures should be established whereby an enlarged Committee staff would analyze the principal pieces of legislation which it, or members of the Committee, believe have important economic implications. Following the analysis, a staff memorandum should be submitted to members of the Committee. This memorandum should contain a brief statement of the economic effects of the subject piece of legislation and specific recommendations as to what action the Committee should take. At each meeting the Committee should have a place on its agenda for consideration of these pending bills. Committee action could take the form of a report to the substantive committees including an economic appraisal and recommendations. Alternative Committee action could take the form of a report to the substantive committees containing merely the staff's economic appraisal with no Committee recommendation.

When Committee recommendations are given it may be expected that majority and minority reports could and should be made. The purpose of these reports should be to indicate the economic implications of the pending legislation. Admittedly, other considerations, such as military, ethical, and political, would be involved. All factors, of course, would be weighed by the substantive committee, the majority and minority policy committees, and each individual member of the Congress in taking final action on a bill.

In its first year the Joint Committee, unlike most other congressional committees, had no regular meeting date. As a result when a meeting was called many members could not attend

because pressing business demanded their attendance at other committees. During the first session of the 80th Congress the Joint Committee met seventeen times. Six of the sessions were executive and eleven were open hearings. A significant step in establishing the standing of the Joint Committee would be a regular weekly meeting on a definite day. This day should be determined after consultation with chairmen of other committees to minimize the number of conflicts. This procedure would assure maximum Committee attendance. If a series of fact-finding hearings appear desirable during the session, additional meetings could be held with as many as possible attending.

We come, finally, to one of the most pressing problems of the Committee, namely, lack of time on the part of members to devote to the work of the Committee. One has only to look at other committee assignments of the present members of the Joint Committee to appreciate this problem. Three of the Senate members serve on four committees, the other four Senate members have three committees each. Two of the House members are on three committees, the other five on two committees. It is of particular significance that the Chairman of the Joint Committee serves on four committees and is chairman of three, namely, the Republican Policy Committee, Labor and Public Welfare Committee, and the Joint Committee on the Economic Report.

A look at these committee assignments, however, does not in itself give full weight to the problem. It might be expected that each person on the Joint Committee became a member because of a special interest in economic policy. That was true of the membership in 1947. The matters coming before the Joint Committee, however, are not always as well defined and are not usually as pressing as are matters coming before substantive committees. In the case of substantive committees, bills are considered and important and crucial steps are taken in respect to these bills. Bills are not formally referred to the Joint Committee.

One solution to this problem would be for the Congress to consider the work of the Joint Committee so important that members would be relieved of other major committee responsibilities. Short of a reduction in committee assignments, a partial solution would be to elicit maximum leadership from an enlarged Committee staff. The statutory authorization of a \$50,000-a-year appropriation for the Committee should be tripled.

Summary

IN summary, the Employment Act of 1946, which established a statutory mechanism for the formulation of economic policies, is in need of administrative implementation. On the executive side, the role of the President's report could be substantially strengthened through modification of the aloof policy adopted by the Council during the first year without compromising objectivity on the part of the Council.

On the legislative side, compliance with the act during the first year was largely lacking. Procedures for handling the President's reports were only beginning to evolve in anticipation of the January, 1948, report. On the other hand, procedures for fulfilling the Committee's responsibilities in judging the wisdom of specific legislation and in guiding the substantive committees were not considered. Attention was concentrated on gathering information rather than analyzing information and advising the Congress on economic policy. Committee operating policies need to be developed, Committee staff needs to be expanded, and a sound and workable type of Committee-staff and Committee-Council relationship established. Members of the Joint Committee should be relieved of other major committee responsibilities. These steps appear necessary to permit the Joint Committee to assist the Congress in adopting economic policies compatible with the objectives of the Employment Act.

Budget Classification and Fiscal Planning

By JESSE V. BURKHEAD

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THE formulation of an adequate fiscal policy depends not alone on analytical method. The raw materials of analysis are equally necessary. In the case of federal fiscal policy the budget is the most important of these raw materials; the formulation and administration of fiscal policy requires that the budget be presented in a form which lends itself to economic analysis.

The *Budget of the United States Government for . . . 1948* is an important forward step in refining the raw materials of fiscal policy. For the first time the budget presents a uniform, functional classification of expenditures. The expenditure categories in previous budgets were never unambiguous. Some expenditures were classified by agencies; others were related to the economic character of the outlay. This year the ambiguities are removed and federal activities are classified in accordance with the basic programs operated by the government. It is the purpose of this article to examine the new form of the budget and determine its usefulness as a document of fiscal policy—to ascertain the extent to which budget classification fulfills the needs of the Administration, the agencies, and the Congress as a tool of fiscal planning.

The need for a thoroughgoing revision in budgetary classification has long been apparent, but the pressure of wartime budgeting prevented its introduction. This year's budget classification grew out of the thinking and work that has been done in the Bureau of the Budget and the Treasury Department for the past sev-

eral years.¹ Several events combined to make the 1948 budget an appropriate occasion for a revision in classification. For one thing, many of the expenditure categories that had been used during the war were inapplicable to peacetime budgeting. Also, the Government Corporation Control Act, passed by Congress in December, 1945 (Public 248, 79th Cong., 1st sess.), was enacted too late to permit inclusion of the government corporations in the 1947 budget.² The 1948 budget integrates the accounts of the corporations with the general and special accounts. In addition, there have been two recent important changes in the machinery for formulating fiscal policy. The Legislative Reorganization Act of 1946 (Public 601, 79th Cong., 2d sess.) established a new procedure for congressional consideration of the budget. The revised form of the 1948 budget goes far toward meeting the new requirements of the Congress. And finally, the Employment Act of 1946 (Public 304, 79th Cong., 2d sess.) created a new agency of fiscal planning—the Council of Economic Advisers—and provided for the Council's congressional counterpart in the Joint Committee on the Economic Report. A more usable budget will certainly be of great help to the fiscal planning work of both the Council and the Committee.

Nature of the Budget

IT SHOULD be said at the outset that the budget is not designed primarily as a document of fiscal planning. This is only one of the uses

NOTE: The author would like to acknowledge valuable suggestions from Herman C. Loeffler, Everett E. Hagen, Myrtle Gill Nelson, and Roger Nelson of the fiscal division, U. S. Bureau of the Budget. None of these, of course, can be held responsible for the views presented here.

¹ The pioneering work in expenditure classification by function was done by the Bureau of the Census in municipal and state finance beginning in 1902.

² For a discussion of the budgetary control of government corporations see C. Herman Pritchett, "The Government Corporation Control Act of 1945," 40 *American Political Science Review* 495-509 (June, 1946).

which it is required to serve. Among the other uses, probably at least as important, are the following: (1) The budget is intended to present a comprehensive picture of the fiscal affairs of the federal government for the enlightenment of the citizen. (2) The budget is intended to present to the Congress the information and materials necessary to the action of the appropriations committees. (3) The budget must establish a classification that facilitates control of expenditures once appropriations are made. No one form of the budget can serve these often divergent ends. The major form of presentation of budget data will represent at best a reasonable compromise. Other uses will be served by secondary classifications and supporting schedules.

It is not intended here to examine the budget in relation to any of these three objectives, although it is impossible to avoid the comment in passing that the budget fails miserably to satisfy the first objective—informing the citizen.³ The celebrated Man in the Street can hardly be expected to work through 1,626 pages of material to discover the facts about his government's operations. Here is a public relations job badly in need of doing.⁴

The Budget Process

As a prelude to an examination of the 1948 budget it might be well to review the characteristics of the budget process. Under the Budget and Accounting Act of 1921, as amended, the executive has the responsibility of preparing the budget for the consideration of the Congress. It is the task of the executive to initiate the fiscal program, to settle in the first instance all questions relating to the form of the budget and the classification of expenditures, and to make recommendations as to specific expenditures. The initiating responsibility of the executive, however, carries very little

authority over the budget as adopted by the Congress, for the Congress has almost unlimited authority to modify the budget. Once submitted the executive has authority over the budget only through the influence which may be exerted on individual congressmen.⁵ The President does not have the power to veto individual appropriation items and the power to veto an appropriation bill as a whole is almost meaningless.

The separation of powers makes the budgeting process in the United States a highly political one. The preparation of the executive budget provides the occasion for the Administration to reshape the federal program to meet changing economic needs and political pressures. Much of this reshaping is handled in the smoothly working procedures of the Bureau of the Budget.⁶ But every budget produces its conflict situations and every budget provides the occasion for frequent White House conferences among Administration leaders.

There is undoubtedly a need in the budget process for a strong bureaucracy with the general welfare at heart, a bureaucracy which is prepared to resist the pressures generated by the spending agencies.⁷ On the periphery, at least, the Bureau of the Budget performs this task. But the fact is, there is no such thing as a general welfare. There are only specific welfares. The public interest is made up of separate and conflicting group interests. For that reason any attempt to set up an impartial bureaucracy for the preparation of the budget is foredoomed to failure. In the words of E. Pendleton Herring:

The formulation of fiscal policy lies at the dead center of democratic government. It is the very essence into which is distilled the conflict between the haves and have-nots. It represents the terms of compromise between powerful economic forces in the community. Utterly divergent economic forces are seeking to use the financial machinery of the government to promote their own ends.⁸

³ Professor Alvin H. Hansen, in discussing prewar budgets noted "... it takes far more time and patience to discover what really is going on than the general public can be expected to devote to the matter." *Fiscal Policy and Business Cycles* (W. W. Norton & Co., 1941), p. 208. This comment is unfortunately still applicable.

⁴ There would seem to be no good reason why a budget summary with extracts from the budget message could not be prepared for wide distribution in the interests of promoting knowledge of fiscal affairs. Such a summary could probably be kept to twenty-five pages, with appropriate charts and graphs.

⁵ See A. E. Buck, *The Budget in Governments of Today* (Macmillan Co., 1934), pp. 105-6.

⁶ For an excellent discussion of the mechanics of the budget process see E. L. Kohler, "Expenditure Controls in the United States Government," 20 *Accounting Review* 31-44 (January, 1945).

⁷ See V. O. Key, Jr., "The Lack of a Budgetary Theory," 34 *American Political Science Review* 1137-44 (December, 1940).

⁸ "The Politics of Fiscal Policy," 47 *Yale Law Journal* 728 (March, 1938).

If the basically political character of budgeting is admitted, it follows that the form of the budget and the classification of expenditures should be designed to expedite the political decisions which must be made. This requires that budget information be presented clearly and unambiguously, that the ultimate purpose which government programs are designed to serve stand forth in unmistakable terms. The functional classification in the 1948 budget seeks to do just this.

Classification of Expenditures

THERE are several ways in which budget expenditures may be classified.⁹ One of the most common is by organization unit—departments and agencies. Such a classification is necessary for purposes of expenditure control; appropriations are made and accounts kept by organization unit. The 1948 budget contains a complete classification of expenditures according to organization units, but this is given status secondary to the functional classification. A second type of classification is in accordance with the character of the expenditure. This approach would delineate outlays along traditional accounting lines: current expenses, fixed charges, and capital outlays. This form is required for a capital budget. A third type is classification by object: personal services, transfer payments, the purchase of commodities, the purchase of property. This classification is most useful in tracing the relation of government expenditures to levels of national income. Each of these classifications has its uses; none embraces all possible uses. As the Bureau of the Budget states, "No single system of classification will ever provide all the answers for a complicated set of figures such as those in the Budget of the United States."¹⁰

The functional classification presents programs operated and services performed by the government and thereby facilitates evaluation of their relative importance. It attempts to focus attention on the economic interests served by government action. As employed in the 1948 budget the classification delimits fifteen major functions now served by the federal govern-

ment. These are national defense; veterans' services and benefits; international affairs and finance; social welfare, health, and security; housing and community facilities; education and general research; agriculture and agricultural resources; natural resources not primarily agricultural; transportation and communication; finance, commerce, and industry; labor; general government; interest on the public debt; refunds of receipts; and reserve for contingencies. This classification is a contribution to clarity in fiscal affairs.¹¹

Previous budget classifications were a conglomerate of organization units and functions. For example, the public works category cut across several organization units and included facilities serving numerous functions. Most categories in past budgets were both organizational and functional, as veterans' pensions and benefits. Other categories were wholly functional—aid to agriculture, for example, which included the expenditures of several agencies. The present classification is systematic and eliminates previous peculiarities. For example, food subsidies paid by the RFC were formerly classified as a national defense outlay; food subsidies paid by the CCC were classified as an aid to agriculture.

The functional classification as employed in the 1948 budget does not go below the appropriation level; where a given appropriation serves more than one function there is no breakdown. We are assured that these cases are few and that an effort will be made in the future to provide the breakdowns where necessary.¹²

Apart from the improvement in clarity, the revised classification has several significant consequences. First, as already noted, it eliminates public works as a separate category, placing each expenditure for facilities in its appropriate function. "The provision of public works is thus not an end in itself, but is a means of making possible the fulfillment of Federal responsibilities in the various programs."¹³ For

⁹ There is one marked exception to this improvement in clarity—the reserve for contingencies, which is nowhere explained. One can only conjecture as to the nature of the contingencies that could be met with a reserve of \$25 million in a budget of \$37.5 billion.

¹⁰ *The Budget of the United States Government . . . 1948*, p. 1353.

¹¹ *Ibid.*, p. 1357.

¹² See Buck, *op. cit.*, pp. 168-71.

¹³ *The Budget of the United States Government for the Fiscal Year Ending June 30, 1948* (U. S. Government Printing Office, 1947), p. 1353.

example, rivers and harbors improvements are now classed in "transportation and communication" and irrigation projects in that all-embracing category "natural resources not primarily agricultural." Since public works have considerable significance in themselves the budget gives them a separate treatment in the section on "Special Analyses and Tables." The elimination of public works as a separate expenditure category has the consequence, whether or not intended, of moving away from the concept of a capital budget.¹⁴ In a capital budget the basic distinction is between operating expenses and public works. The functional classification obliterates this distinction.¹⁵

A second consequence of the functional classification is that it produces substantially lower amounts for national defense outlays than the previous classification. The reason for this is that many war functions have been shifted to non-war categories. For example, the bulk of the expense for administering occupied territories has been transferred to "international affairs and finance" and expenditures for atomic energy development and control have been transferred to "natural resources not primarily agricultural."

Another consequence is that a more adequate distribution of government expenditures among the major functions operates to cut down sharply the scope of the "general government" category. In the past this classification has been a catchall. The 1948 budget reduces this category by about 30 per cent, largely by transferring the administrative expenses of departments and agencies to the appropriate functions. Since economy-minded congressmen have always made "general government" a special target it will probably be charged that the

Bureau of the Budget has indulged in financial legerdemain. A more favorable interpretation is that the "general government" category has now been reduced to a meaningful content.

Congressional Budget Action

SINCE the process of budget-making is essentially political in character, it follows that the form of the budget should be such as to aid in arriving at the necessary political decisions. The new functional classification should facilitate congressional action on the budget, a matter that is particularly important in view of the newly established procedures. Under the Legislative Reorganization Act of 1946 a joint committee of the Congress must meet early in each session to establish an upper limit to expenditures for the forthcoming fiscal year. The objective of this procedure is highly commendable. It gives Congress an opportunity to consider the budget as a whole, taking the broad view of expenditures and revenues. This "global" approach has not been possible in the past when the work of Congress on expenditures was confined to the various standing committees and subcommittees. This over-all view is apparently intended to operate as a self-imposed discipline on congressional spending. The expenditure ceiling set by the Congress is to become the subject of a concurrent resolution, thereby making it more difficult for special-privilege measures to be introduced and enacted later in the session.

While the over-all view is highly commendable there are two objections which may be raised. In the first place, it is difficult for Congress to do an effective job at the over-all level before the appropriations subcommittees have done their work in investigating individual items. A second difficulty is that congressional action at the beginning of each session is intended to govern the federal program for the fiscal year beginning six months later. An expenditure ceiling may interpose artificial limitations on congressional action in areas that require emergency treatment.

Congress' first experience with the expenditure ceiling has not demonstrated that it will satisfy either the requirements of the global view or the wishes of the economy-minded. The House and the Senate failed to agree on the expenditure ceiling and no resolution

¹⁴ This is in sharp contrast with the Budget Message of 1940 where the President said, "While I do not advocate that the Government capitalize all of its expenditures for physical improvements, it seems to me that such portions of the cost of public projects as are clearly self-liquidating should occupy a separate category in budgetary reporting." (*The Budget of the United States Government for the Fiscal Year Ending June 30, 1940*, p. x.)

¹⁵ At the request of Senator Wayne Morse the Bureau of the Budget prepared additional and preliminary estimates of capital expenditures in the 1948 budget. For the estimates and Senator Morse's criticisms of the Budget Bureau expenditure classification see *Congressional Record*, July 10, 1947, pp. 8767-72.

issued. Nevertheless, as long as joint congressional consideration of revenues and expenditures remains part of the statutory procedure the functional classification is ideally suited to serve this purpose since it provides a more comprehensive picture of federal operations than the budget has previously furnished.

Economic Impact of the Budget

THE conclusion which has been reached thus far is that the functional classification is well adapted to the purpose of informing the Congress about the nature of the federal program. It has also been noted that neither the functional nor any other classification can serve all possible purposes. The next question which must be asked is how well the functional classification and supporting budget information serve the purposes of the economist who is interested in the relation of the federal program to levels of economic activity. How well does the budget lend itself to an analysis of income-generating expenditures, of the relation between federal expenditures and levels of national income and employment? To answer this question it is necessary to consider not the budget's functional classification alone, but the budget document as a whole.

The economist who is concerned with fiscal policy requires data on government activities that satisfy the following requirements: (1) the data should be inclusive; (2) expenditures and receipts should be treated uniformly; (3) the amount of national income produced in the government sector should be estimated; and (4) the budget should describe the basis on which revenues and expenditures are estimated. How well does the budget satisfy these criteria?

Inclusiveness. As has been noted, the budget now includes, in its basic classification, expenditures of government corporations. In spite of all the difficulties of estimating the income and outlay of many of these corporations, whose programs alter as economic conditions in their areas change, their inclusion nevertheless provides a more comprehensive picture of the probable future operations of the government than has previously been available. There is, however, an important area of government operations still outside the budgetary process—the trust funds. The apparent reason for this

exclusion is that the trust funds are legally distinct from the other financial operations of the government. Trust fund expenditures are not appropriated by the Congress. Trust fund receipts are given an accounting segregation. Therefore "Budget Expenditures" do not include trust fund expenditures; "Budget Receipts" do not include trust fund receipts.

Proper as this dichotomy is from the legal standpoint, it unfortunately destroys the inclusiveness of the budget. There would appear to be no good reason why, having covered the general and special accounts and the corporation accounts into the basic budget classification (and there are important legal distinctions here as well), it should not also be possible to include the trust accounts.¹⁰ The budget now provides a separate showing of payments to and receipts from the public in the "Summary and Supporting Tables." This presentation is inclusive and brings together the general and special accounts, the corporations and the trust accounts. This approach could be carried over to the basic budget classification with a corresponding broadening of "Budget Receipts" and "Budget Expenditures" to include trust account operations. Such a procedure would satisfy the requirement of inclusiveness and would bring the budget to a "net flow of funds" basis.

It is true that the present exclusion of trust accounts has the advantage of providing a relationship between budget deficits and the public debt. If budget receipts and expenditures are broadened to include trust accounts this nexus will be destroyed—that is, it will then be possible for the budget to be in balance at the same time that the public debt (owed to the trust accounts) is increasing. But under present arrangements it is possible, as was the case in

¹⁰ There is a serious problem of avoiding double counting in bringing the trust accounts into budget receipts and budget expenditures. Trust account receipts include some payments made from general and special accounts (part of the interest on the debt, for example). It would be inappropriate to count as budget expenditures both the payment of interest to the trust fund and the payment from the trust fund to the beneficiary. The best procedure is probably to eliminate the pair of intragovernmental transactions so that trust fund receipts appear under "Budget Receipts" and trust fund expenditures under the appropriate functional expenditure account. Trust account investments in government securities would not be counted as an expenditure.

the summer of 1946, for the budget to show a deficit while receipts from the public exceed payments to the public. It would appear to be more important to move toward a basis that reflects the relation of the budget to the net flow of funds than to retain the present relationship between a budget deficit and the public debt.

Uniformity as to Gross or Net. The budget is lacking in a uniform treatment of both expenditures and receipts. Some activities are handled on a gross basis, others on a net basis. On the expenditure side most of the outlays made through the general and special accounts are handled on a gross basis. The outstanding exception is the Post Office Department, where only the deficit is treated as an expenditure; Post Office receipts are not counted as budget receipts. The expenditures made through the government corporations are treated on a net basis. Corporation receipts are not included in budget receipts; corporation operating deficits are included as a budget expenditure, and if there is an operating surplus this surplus is deducted from expenditures, not added to receipts. The flow of funds through the government corporations is summarized in supporting statements.

There is, of course, considerable justification for the treatment of the "business" operations of the government on a net rather than a gross basis. Net profits are probably more important for most business purposes than gross revenues. Yet in the case of government activities the gross figure may be the more meaningful. For example, the total volume of RFC loans to business enterprise is probably more significant in analyzing the impact of government activities on the economy than net receipts or payments in a given period. Similarly, the volume of commodities purchased by the CCC may be more important than the net deficit in its operations. The budget document includes the gross figures but does not integrate them with other government activities handled on a gross basis.

It may be concluded that the budget does not define "Budget Expenditures" in a fashion free from ambiguity as between gross and net outlays. Unfortunately, the concept of "Budget Receipts" is equally ambiguous. The omission of trust account operation from the budget totals makes it necessary to distinguish total

from net receipts to effect the transfer of old age and survivors' insurance tax payments to the trust fund account. The railroad retirement trust fund, however, is an exception to the general omission of trust accounts from "Budget Receipts and Expenditures." Its receipts are counted both as employment taxes and trust fund receipts. If the trust accounts were brought into the budget, uniform treatment would be assured. Another ambiguity in the treatment of receipts arises because tax refunds must be appropriated by the Congress; therefore the budget treats them as an expenditure, whereas it would be more logical to deduct them from receipts. If the constitutional requirement that expenditures must be appropriated could be ignored for purposes of classification, improvement in uniformity would result.

These are the existing ambiguities, but it is one thing to point them out and quite another to suggest a feasible reform. Even if there were good reasons for shifting the budget to a gross basis, there would be a compelling practical objection: Congress would be dealing with budgetary totals that would be frighteningly large. A possible compromise would be to retain the present segregation of "business-type" operations but provide information on gross receipts and expenditures in a separate analysis of certain types of government activities. It will be suggested below that this should take the form of an expanded economic character classification.

Relation of the Budget to Estimates of National Income. The federal budget is so closely integrated with the economic life of the nation that anything affecting the one affects the other. The volume of expenditures in important programs will be determined in part by the economic health of that particular program area. The volume of tax receipts with a given set of rates will depend almost wholly on the level of national income. Good budgeting must proceed, then, on the basis of predictions respecting the course of business activity. The budget will change on both the receipts and expenditures side with changes in the level of national income;¹⁷ the validity of any one set

¹⁷ To mention only a few expenditures which would automatically increase in the event of a recession: unemployment compensation, veterans unemployment

of budget estimates depends in good part on the validity of the underlying national income prediction. The only way it is possible to judge whether budget estimates are realistic is to know the basic assumptions which the budget-makers employed with respect to the future level of national income.

Unfortunately, the budget does not reveal the estimate of national income or income payments on which expenditures and receipts are based. We are told, "In this Budget, it has been assumed that, with minor fluctuations, business activity will average slightly higher than in the calendar year 1946."¹⁸ In the "Explanation of the estimates of receipts," prepared by the Treasury Department, we are given only the vaguest clues. Speaking of the estimates for the fiscal year 1947, the Treasury refers to "rising levels of income" and "increased effective consumer demand." Speaking of the revenue estimates for fiscal 1948, we are told they are based on "higher profit levels," "increases in levels of income," and "an estimated increase in salaries and wages."¹⁹ How much higher, or how much of an increase, is not revealed. Since the Treasury must make an estimate of income payments before it can make an estimate of tax receipts and since the estimate of tax receipts must stand the difficult test imposed by the march of economic events, there would appear to be no good reason for not revealing the basis of the estimate in the budget. It may be hoped that this estimate is the same as the one employed by those who prepare the expenditure side of the budget.

Payments to and Receipts from the Public. The Bureau of the Budget has long recognized the fiscal importance of the net inflow or outflow of federal funds as distinguished from the net increase or decrease in the public debt. In

recent years this flow of funds has been measured in a special analysis "Receipts from and Payments to the Public." This table, included this year in the Budget's "Summary and Supporting Tables," eliminates all intra-governmental and non-cash transactions. Borrowings from the public are itemized separately.²⁰ The result is substantially what would be achieved by integrating trust accounts with general and special accounts and government corporations. In fact, if this approach were adhered to in the basic budget classification, the requirements of inclusiveness referred to above would be adequately met.

The "Receipts from and Payments to the Public" estimates the net flow of funds for the current and prospective fiscal years. This information is of great importance in analyzing the relation of the budget to levels of national income.²¹ But the flow of funds does not begin to approximate the income-increasing (or decreasing) effects of government spending and taxing. It should hastily be added that no analysis, chart, or table can do this; the most that can be hoped for is a clear showing of the economic nature of government operations. There is needed, in conjunction with the budget classification by functions, a classification of expenditures by economic character.

It can readily be recognized that there is a difference in income-increasing effect between a federal deficit of \$1 billion incurred as a loss on loans to business enterprise and \$1 billion deficit incurred to finance relief outlays. Similarly, there is a difference in income-increasing effect between expenditures for wages and salaries and expenditures for price-support payments. No precise measures of these differences have yet been devised, in part because the raw materials of analysis have been buried in the budget. A classification of federal ex-

compensation, payments under the agricultural price support program, and payments on government-guaranteed loans to veterans.

¹⁸ *The Budget of the United States Government . . . 1948*, p. M5.

¹⁹ *The Budget of the United States Government . . . 1948*, pp. 1383-85. In testimony before the Senate Finance Committee Secretary Snyder stated that the revenue estimates for 1948 had been predicated on income payments of \$168 billion, characterized this as a "proper, conservative, figure," and rejected suggestions that it should be increased to reflect the then-current rate of income of \$176 billion. *New York Times*, April 23, 1947, p. 1.

²⁰ The "public" includes individuals, private corporations, and state, local, and foreign governments.

²¹ In 1946 and 1947 the budget included "The Government's Budget and the Nation's Budget," which shows, in tabular form in terms of gross national product, the receipts and expenditures of economic groups, including government. This table employs past data with no attempt at projection. In the 1948 budget this table is omitted and a more extensive treatment of GNP components, again for a past period (1946), is included in *The Economic Report of the President* (U. S. Government Printing Office, 1947), as "The Nation's Economic Budget."

penditures by economic character can provide these raw materials. Such a classification should differentiate the following types of expenditures, with appropriate subclassifications: purchase of existing assets, lending operations, subsidization of current output, wage and salary payments, purchase of current output (durables and nondurables), and transfer payments.

The 1948 budget does not include this kind of character classification. Instead, the major outlines of such a classification are presented for the first time in *The Economic Report of the President* (p. 18). This is an important forward step in expenditure analysis, even though it is limited to major types of payments and is on a calendar year basis, making comparison with budget data difficult. A more detailed classification, and particularly an integration with budget data, would provide the materials necessary for an improved analysis of the income-increasing (and decreasing) effects of government fiscal programs.²²

The budget does include a separate analysis and classification of public works programs which contains much useful information on the scope and function of the facilities to be constructed. However, this analysis does not furnish complete information as to the economic character of the public works. The lending activities of government in the public works sector are not separately classified. There is no breakdown between amounts to be spent on acquisition of existing assets and the purchase of current output. There is no indication of the total amount of construction which is expected to result from the federal grants-in-aid. The amount of employment on construction

projects is not estimated. As for public works planning, the budget tells us the extent of the backlog of state and local projects (\$1.3 billion) but gives no indication of the size of the federal "shelf of public works." An expanded economic character classification together with a detailed analysis of the public works sector with respect to volume, type, and employment created, both for present and prospective outlays, would provide the materials of fiscal policy analysis.

Conclusion

THE 1948 budget, with its functional classification of expenditures, is an important forward step in clarifying the ultimate purposes which government programs are designed to serve. As such, the budget is now a much-improved document and should materially aid in the work of the joint congressional committee determining the legislative budget, the Council of Economic Advisers, and the Joint Committee on the Economic Report.

As a document of fiscal policy designed to facilitate the formulation of stabilization measures and to provide the raw materials for analyzing the relation of government activities to the economy, the budget has a number of deficiencies: (1) Trust account operations are segregated from "Budget receipts" and "Budget expenditures." (2) Some budget operations are summarized on a net basis; others are summarized on a gross basis. (3) There is no clear statement of the estimate of national income used in preparing budget expenditures and revenues. (4) The budget omits important types of information about the economic character of expenditures.

It is suggested here that the deficiencies of the budget that detract from its usefulness as a document of fiscal policy could be partially overcome by a separate and expanded classification of expenditures in accordance with economic character. This would provide better raw materials for the analysis and formulation of measures designed to stabilize a high level of economic activity.

²² Two further contributions along these lines should be noted: (1) In "The Impact of the Federal Budget," 29 *Review of Economic Statistics* 28-31 (February, 1947), Arthur Smithies presents estimates from 1947 budget data of the amount of federal expenditures for goods and services and the extent to which federal receipts will curtail consumer purchases. (2) The National Bureau of Economic Research will publish in the near future, under the authorship of Morris A. Copeland, an analysis of the economic character of federal expenditures for the pre-war period.

Organizational Analysis: Some Notes on Methods and Criteria

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WHOEVER wants to try his hand at analysis of administrative procedures will find a kit of tools and instructions on their use. Such tools as the process chart and the work distribution chart are well developed, proved, and accepted. But where shall the would-be analyst of administrative organization turn for tools and instructions? Can he, after a perusal of the published literature on organization, approach his first assignment any better prepared than would be a "surgeon" approaching his first operation after merely reading Gray's *Anatomy*?

The published literature on organization presents, indeed, some interesting contrasts to that on procedure. There are quasi-philosophical writings in number on theory of organization—and even "pure" theory of organization. But there are no publications (with which the writer is acquainted) that purport to tell a person faced with the problem of making an organizational decision what to look for and what to do with it after he has found it. Contrariwise, such tools of procedural analysis as the time and motion study have been extensively described in print; but where would one look for an essay on "pure theory of procedure"?

Some differences between "organization" and "procedure" that have led to these disparate treatments are, of course, readily apparent. It may be that because of the intimate relation of organization to the ends and persons that government serves (to name but one fac-

tor), organizational analysis can never be a matter of widely accepted techniques and criteria. Certainly the most impressive critique of conflicting theories of organization of federal administration, Schuyler C. Wallace's *Federal Departmentalization*, leaves us weltering in empiricism. He leaves us, indeed, only the chilly discomfort of his conclusion that "any intelligent decision as to the type of administrative organization best suited to the needs of the country depends not upon some simple formula but upon the studied consideration of a multitude of factors."¹ Many of the "multitude of factors" he identifies. But he does not dream of presenting, for the use of administrative analysts, a table "weighting" the factors.²

So much conceded to the improbable, what may be hoped for the possible? Certainly some check lists of preparations to be made and matters to be investigated can be formulated. Certainly some maxims of prudence, some counsels of wisdom, can be set forth by those with

¹ *Federal Departmentalization; A Critique of Theories of Organization* (Columbia University Press, 1941), p. 227. John D. Millett, "Working Concepts of Organization," in Fritz Morstein Marx, ed., *Elements of Public Administration* (Prentice-Hall, Inc., 1946), pp. 140-157, and Luther Gulick, "The Theory of Organization," in Luther Gulick and L. Urwick, eds., *Papers on the Science of Administration* (Institute of Public Administration, 1937), pp. 21-30, are illustrative of the best analyses of organization in general terms.

² Organization has recently been described as "inevitably the result of a series of compromises which weigh an infinite number of possibilities about a specific or unique situation." And principles as "considerations which, under normal circumstances, serve to develop questions which the organization planner must answer in the light of the specific situation with which he is dealing." Ah, for the faith of the pioneers!

NOTE: The author wishes to acknowledge the critical assistance of various friends, particularly that of William Pincus of the U. S. Bureau of the Budget.

long experience in organizational analysis. Perhaps no guiding formulae can be deduced (given the present flux in man's mental affairs and the tendency of administrative thought toward skepticism and relativism) to serve the functions once served by the "canons of integration," but perhaps some light can be shed upon the mental processes of decision-making. In short, there is no reason why the arts of organizational analysis must remain the secret of their practitioners until communicated privily and orally to apprentices.

The following notes on organizational analysis are offered only as a fumbling first attempt to set forth some suggestions on methods of approach, a list of matters which will repay investigation, and some counsels of circumspection. They are based upon experience in organizational analysis carried on in the division of administrative management of the U. S. Bureau of the Budget. They are directed toward the improvement of existing organization, not the organization of a function *de novo*; the typical problem to which they are addressed is the best organizational location of a given function, bureau, office, etc. The nature of the examining unit, the nature of the governmental milieu in which the analyses are made, and the nature of the problems posed for analysis must obviously be considered in evaluating the suggestions made.³

The Origin and Aura of an Organizational Problem

REGRETTABLY, this enumeration of specifics must begin with some remarks of considerable generality. These remarks pertain to the reasons which give rise to an organizational study and the political, psychological, and spiritual conditions under which it is carried on. Difficult to discuss, the reasons giving rise to organizational surveys and the conditions under which they are pursued are of transcendent importance. An organizational analyst should be knowledgeable about the ways that studies are defined and undertaken and perceptive about the climate of opinion in which they are carried on. If he is not thus knowledgeable

and perceptive his labors will be foolish and futile.

There are rhythms and tides in national affairs, moods and whims in affairs of state. There are times when it is fitting to make no small studies, times when it would be imprudent to make any *but* small studies. If the spirit of the times is propitious for grand projects, grand projects may be—should be—undertaken; and conclusions should be bold. Such broad projects may concern executive manageability, functional coherence, organizational unity and symmetry. If the spirit of the times calls for small projects, small projects may be—should be—undertaken; and conclusions should be prudent. Such small projects may concern the attainment of efficiency and economy measurable in terms as concrete as possible, or the improvement of specific operating relationships.

Anyone who reads the preceding paragraphs will be quite capable of transcribing the general language in which they are couched into terms of political fortunes, laws, executive directives, and so forth during our recent history. It is sufficient here merely to take "judicial notice" of what has appeared in the public press and has been summarized and analyzed in the professional journals. The moral is that the analyst should be aware not only of the major premises in his own thinking about matters administrative (and the predilections and idiosyncrasies of his superiors, of course!), but that he should be perceptive about the broad context in which studies are chosen and defined and the atmosphere in which conclusions are reached—or at least immediate action recommended.

Is the study undertaken because of a mandate—perhaps a mandate which implies that only foregone conclusions are expected to be reached by wise and politic men? Does it arise because there is a striking *prima facie* violation of a "principle" of organization? Does it arise because of obvious duplication and overlapping—perhaps resulting in conflicts of authority? Does it arise because experts engaged in an activity have called attention to hidden or emerging problems? Does it arise as the result of requests or complaints from persons or interests outside the government? Does it arise because a span of control appears too broad, a

³ Dictates of good taste and lingering respect for "official discretion" have limited the fullness and frankness of my comments, but I thought a half loaf better than none where the discipline is undernourished.

chain of command seems confused, or staff employees appear to be performing line functions? It is patent that every study will have its "tone," and he who is not perceptive of such tones is well advised to turn his attention to selling locomotives or cultivating cranberries.

Orientation and Preparation

THE first task of an analyst with an assignment is to "familiarize himself with the problem area." He must become thoroughly conversant, if he is not already so, with the history of the agency or agencies involved and the development of public policy in the field or fields concerned. This study may seemingly carry him rather far away from his immediate problem, but there is no substitute for it even though he may learn more than he wishes about malarial mosquitoes, theories of penology, irrigation law, or the purchasing of inkwells. He must have command of the background of the problem if for no other reason than that he will be dealing before he is through with experts whose respect and confidence he must gain (or a reasonably accurate facsimile thereof) and whose remarks he will have to weigh and assay in terms of what he knows about the field.

Preparation must include a thorough study of all laws relating to the functions of the agency or agencies concerned, regulations issued under the laws, and relevant court decisions. Preferably the laws should be briefed and tabulated. Upon a phrase or even a word in the law may hang the answer, the direction, or the fate of the inquiry. Key people who will be interviewed in an agency will know their statutes "cold" and will rightly regard it as a foolish imposition to have to explain them to the analyst. He will have more important matters to discuss with them; questions the answers to which cannot be got by conning the laws.

Preparation must also include a perusal of all previous studies of the problem area that the analyst can lay his hands on. These must be read and digested with due regard, of course, for the circumstances under which they were prepared and the persons who prepared them. In other words, they will vary in their thoroughness, disinterestedness, and perspicacity. Older studies must be used with especial care;

time may have voided a true observation, and, more important, standards of thoroughness and accuracy in administrative analysis have advanced notably through the years.

Techniques of Investigation: The "Field"

EVENTUALLY in his study of laws, reports, and so forth, the analyst will reach a point of diminishing returns. The time has then come for him to visit the agency or agencies concerned. There is no safe or adequate substitute for this extramural aspect of his investigation. His report must not smell of the lamp; it must savor of the stuff of today's administration of the Bureau of X or the Office of Y. The most patent demonstrations of logic and conclusions of wisdom put together from studying the written record may have their brains knocked out by a single, small, hard fact discovered in an hour's visit to the scene of operations.

Unless the problem presented seems simple, its frame of reference clear, and its solution dependent only upon confirming facts and hypotheses developed by study, the analyst should regard his first extramural activities as reconnaissance only. He should appreciate the value of reconnaissance and be aware of its logical and chronological distinction from full-scale operations. A preliminary period of "floundering around" is not only likely when a sizable problem is attacked; it is desirable. It indicates a desirable open-mindedness, an absence of preconceived solutions, and a mind not too simple to accommodate itself to the booming, buzzing confusion of administrative reality. After a preliminary excursion or two the analyst should pause, weigh his findings, discuss his impressions with colleagues, reflect, and come to fairly firm decisions upon the profitable lines of further inquiry.

The analyst's chief means of investigation will ordinarily be the personal interview. Whom he will interview, the time and place, the approach he will use, the questions he will ask—these matters warrant careful thought and planning. If a statement of "agency attitude" is sought, this must be secured in the front office. If technical information or detailed information about operating relationships is sought, the best source of supply may be far down the chain of command. Perhaps

the information deemed necessary is more detailed than can be gathered by the analyst personally, in which case he must make what arrangements he can to have it supplied by agency staff. Whomever he interviews, whatever information he requests, he must be careful to respect the niceties of bureaucratic protocol; the institution of "clearance" with superiors and colleagues in his own organization and in the agency under investigation must be accorded its full due. The careless operator or the too-smart operator will soon find himself *persona non grata* in some strategic spot, and will be lucky if they do not awaken some morning to find that their professional necks have been quietly and neatly severed between the second and third cervical vertebrae.

In his approach to agency personnel the analyst faces a dilemma. Love for the familiar and resistance to change are strong human characteristics. The reaction to a proposed administrative change is so naturally negative that a person anxious for change will be regarded with a cold and penetrating eye. (Is he an empire-builder? A throne-seeker?) The analyst must take pains, therefore, to avoid "stirring up the animals." After all, the conclusion of most studies is "no change recommended," and there is no excuse for alarming people. On the other hand, organizational analysis is a "queer" and specialized interest, and it is often difficult for the most competent operating official to understand the point of view of the analyst and the relevance of some of his questions. The analyst, therefore, who is too coy and oblique will come off without what he went for—and may arouse the most horrendous suspicions in the bargain!

The analyst's "field work" will not ordinarily be limited to formal interviewing. In all cases it will be helpful, in some cases essential, to "go over the ground," to bring the words to life by viewing and perhaps analyzing in detail the activities in question. Merely visiting the scene of operations has its value even though no particular question may be posed before the visit. Always a sense of reality is gained, a sense of feet-on-the-ground, without which even the soundest conclusions may contribute to nervous indigestion. But the values of first-hand observation are usually more immediate and tangible. In all likeli-

hood the analyst will find things to examine which had not occurred to him before; new angles may develop; perhaps the facts will completely upset a mental picture drawn from the written materials.

While there are values in even random observation, the analyst will often wish to investigate specific things. Is "cooperation" between two organizational units alleged (or denied)? If so, is it merely high-level policy coordination which can be accomplished almost as well if the geographical distance between the two is increased? Or is there joint use or interchange of equipment and supplies which physical proximity facilitates? Or day-to-day working cooperation of personnel? In any case, what actually and precisely constitutes the alleged "cooperation"?

The handling of "cases" and the concomitant routing of documents, of which so much administration consists, requires especially close attention. Use has a way of rewriting even the best instructions from above and the most impressive procedural manuals. To take the measure of any claim of cooperation involving the processing of cases and the routing of documents there is no substitute for the most meticulous personal study that the analyst can manage.

In some cases counting and measuring techniques can be employed to lay at rest a troublesome question, and the analyst must be alert to put what science he can into his art. Is it a question of resulting inconvenience if an existing cooperative relationship is destroyed? Very well, how often per day, week, or month does the cooperative action take place? Is it a question of the direction which research or publication takes in a given organizational "environment"? Very well, classify and tabulate or chart the research projects or publications, perhaps over a considerable period of time.

In short, there is no substitute for tramping over the ground, working up a sweat, and getting begrimed with administrative dirt.

A Check List of Matters to Weigh and Investigate

THE following "check list" is not, I am aware, a complete list of factors to be considered in reaching an organizational decision. What some of these other factors may be has been

suggested above. I am aware also that this listing cuts across or by-passes some familiar categories of thinking about organization. I feel, nevertheless, that it has considerable merit as a working approach—if I didn't I should present an aesthetically pleasing schema instead.⁴

1. Is the problem "organizational" or "procedural"?

The relationship between organization and procedure is an intimate and puzzling one, and to the extent that they may be only different aspects of the same thing the distinction between them is false. Nevertheless, the distinction serves a useful pragmatic purpose. Organizational analysts should be acquainted with the techniques and criteria of procedural analysis, and vice versa; but specialization in one or the other is justified as an operational matter.

Organizational studies are undertaken as a result of some sort of irritation in the body politic. It may be, however, that the irritation is procedural rather than organizational in origin and nature. Usually a decision whether a problem is primarily organizational or primarily procedural can be made *prima facie*. Sometimes, however, considerable investigation is necessary to get to the root of the matter.

The organizational analyst will, therefore, be attentive at every stage of his study to the *type* of problem with which he is dealing. Investigation may reveal that what in its more obvious aspects was an organizational problem is, on closer scrutiny, a procedural problem; or that a given problem may be solved either by a change of organization or a change of procedure. In the second case a change in procedure, as the less drastic remedy, is nearly always to be preferred. If it is a simple problem he may undertake to develop a remedy himself, but if it appears difficult he should enlist the aid of a colleague more skilled in the procedural arts.

⁴A friend whose opinions I value has suggested a threefold approach involving (1) standards of performance, (2) generally accepted organizational criteria (concerning span of control, unity of command, etc.), and (3) tests of proposed revision. I feel, however, that such a logical approach does violence to organizational analysis as it is now practiced—at least it is more "science" than I can manage.

I have written elsewhere that organization and procedure are but different aspects of the same thing. This view needs to be amended, however, by recognition that in general the organizational component is greater in the "higher" aspects of administration, the procedural component greater in the "lower" aspects of administration. If the problem that is posed is one of executive manageability or functional unity, therefore, it is unlikely that procedural remedies will be adequate. But if the problem involves such a matter as co-operative use of personnel or equipment, an eye should be kept cocked for the procedural remedy which, being less drastic than the organizational, is nearly always to be prescribed. It is a safe generalization that *measurable* economies can be shown much more easily and frequently through procedural than through organizational changes.

2. Will executive control, policy coordination, and functional coherence be facilitated?

These three factors are logically and analytically distinct. Yet they are overlapping and interlocked (like Ballantine's purity, body, and flavor), and to draw them apart even for purposes of discussion tends to destroy an organic unity. Their treatment here may be brief, since the imperatives of executive control, policy coordination, and functional coherence have been strongly emphasized in such well-known writings as the *Report* of the President's Committee on Administrative Management and are, indeed, staples in the intellectual diet of all students of public administration.

The analyst must be constantly alert to the problem whether a proposed change will or will not facilitate executive control. Not merely the control of the chief executive must be considered, but the effect on controls and cross controls at every level of the chain of command. If executive control appears an important factor in the total problem, the analyst will probably wish to inquire carefully into the types of executive control involved and the various alternative means for their realization. Is it necessary that an executive personally "make policy" for a given agency? Or is it sufficient if he exercises only general surveillance over its making? Is it desirable that the executive manage "housekeeping" functions

in the area in question as well as control policy formulation? In any case, what are the proper tools and organs, and will organizational change help or hinder?

With regard to functional coherence, it is sufficient to re-emphasize that it is not the simple matter once supposed. The naive idea that there is some single pattern of departmental organization which will fulfill all demands of logic and aesthetics has long since gone by the board, of course; but the analyst, no matter how enlightened from his preparatory study, will soon acquire a sad sense of the temporary nature of his most pleasing combinations of functions. In truth no organizational unit, no matter how small and rudimentary, is single purpose. It is like a child's alphabet block; it is F, B, N, G, L, or E depending on the way it is viewed; the aspect that is placed foremost depends upon what the analyst wishes to "spell." And the purposes to be spelled out change in kaleidoscopic fashion and with dizzying speed.

The analyst cannot escape an attempt to read the crystal ball of the future. He must try to develop a sense of the total development of public policy in the area in which he is working. The organization he recommends must be not only the best for today but also the best for tomorrow, so far as the outlines of tomorrow can be glimpsed. In seeking to know the drift of affairs he will consult the "authentic manifestations of public opinion." He will study the press, utterances of public leaders, political and nonpolitical, and proposed laws. He will study the closely reasoned expressions of the experts in the field. He cannot escape having private views, but these private views must be in accord with what is reasonable to believe the majority of the people will prefer tomorrow.

Altogether, the factors of executive control, policy coordination, and functional coherence must be weighed very heavily. In times of emergency, especially, the dictates of unity of purpose and effective direction must be served; if we march to war it will not do to march simultaneously in all directions. But against executive control and close coordination must always be weighed another factor: whether there is need for autonomy and how this need may be served.

3. Is there need for autonomy or "independence" and will this need be served?

At the turn of the century, Frank Goodnow, in his often cited but little read *Politics and Administration*, defended the right of "quasi-commercial," "quasi-scientific," and "quasi-judicial" activities to be free from political and executive domination. While the philosophy of centralization, of executive control and close integration, has had rather the better of it in the writing and teaching of public administration since that day, the argument for decentralization, for autonomy and independence, has never abated. Recently a compromising attitude has emerged, a disposition to regard the problem not as one of integration versus autonomy but of finding a sensible pragmatic balance between two needs or tendencies.

The organizational analyst must perforce deal with the problem on an everyday basis. He cannot avoid the problem if only because he will find both the philosophy of centralization and the philosophy of independence written into the laws relating to the various departments and agencies with which he will deal. If the analyst's personal beliefs are extreme he will do well to modify them, for they will prove unwise and irrelevant—unwise because extreme solutions will not produce good results and irrelevant because they have no chance of prevailing.

Since the arguments for decentralization—functional and territorial—are common coin among students of administration they need not be rehearsed here. One form of the question of integration that has escaped discussion will, however, be noted. Different organization units operate according to different standards of administrative morality and at various levels of efficiency. In the case of a merger of two units with varying standards, what is likely to be the resulting set of standards? Is there an administrative Gresham's law which will dictate the adoption of the lower standards? If there will be a tendency in this direction how can it be arrested?

4. Will manpower or materials be saved?

The problem here is primarily the familiar one of eliminating unnecessary "duplication and overlapping." There is no more persistent motif in the study of public administration

than the attainment of "economy," and all students unite in its praise though conceptions of its dictates vary tremendously. Neither the uncritical cheeseparer nor the sophisticated believer in "social economy," however, can quarrel with the objective of eliminating duplicating effort when no good end is served by the duplication. Even in the most wealthy society waste is an unmitigated social and governmental evil.

In practice, it must be admitted, the attainment of economy through eliminating duplication is an objective as slippery to deal with as a greased yearling shoat. The analyst will soon discover that even the most patent cases of duplication are not without their defenders, and that many "clear and simple" cases are neither clear nor simple when examined closely. Nobody wants unnecessary duplication; but how is one to know when duplication is unnecessary? "Unnecessary" can only be judged in relation to ends served, and the administrative ends, even if one looks no further than the statutes, will often be found to be vague or disparate.

This does not, however, relieve the analyst of the obligation to pursue economy through better organization. He must do the best he can with the means of judgment available to him. Will consolidation of two organizational units permit a reduction in the total number of typists, or accountants, or entomologists? Will a transfer of Bureau X to Department Y release a set of expensive scientific instruments for use of Department Z? These are the types of questions the analyst must seek to answer—in terms of dollars and cents, if possible; otherwise, in general terms that will bear close scrutiny. And having demonstrated an economy, he must then weigh it in the balance against any tangible or intangible losses.

5. Will cooperation be facilitated?

By "cooperation" is meant here the bringing together or joint use of personnel or the bringing together or joint use of equipment or supplies (other forms of cooperation are, I trust, adequately dealt with under other headings). The questions that are posed are these: Irrespective of whether two organizational units have a "common purpose" is there an advantage in bringing their personnel together for consultation or a joint effort? If so, do the

advantages outweigh the disadvantages? Irrespective of the existence of "common purpose" are there advantages in sharing or pooling equipment and supplies? If one organizational unit "services" another will any demonstrable purpose be served by bringing the two into closer organizational relationship? Or conversely, by terminating the service and arranging for another source of supply?

A distinction that must constantly be borne in mind is that between organizational proximity and geographical proximity. A change in either of these may be quite independent of the other. A physical move to bring two organization units into contiguous quarters may produce the optimum degree of cooperation. Conversely, bringing the same two units into the closest organizational contiguity will avail little if they remain physically far apart. It is important to keep clearly in mind the distinction between central and field operations. Bringing the central offices of two organizational units under the same roof both organizationally and physically may avail not at all to facilitate cooperation between their field operations.

6. Will clientele, beneficiary, ward, or employee convenience, welfare, or satisfaction be served?

Everyone is in some sense a client or beneficiary of the government and the analyst must always be concerned with how well the "public interest" is served. Here, however, concern is with how clients, beneficiaries, and wards in the narrower sense are served—such groups as the users of agricultural credit facilities, the handicapped in need of vocational training, or inmates of government institutions. The direct convenience, welfare, or satisfaction of the persons with whom the government deals may in some cases be easily measured, but more often it is not. The organizational unity of certain related services may demonstrably save travel, time, and money on the part of users of the services. On the other hand, in the more common case in which intangibles are important the conscientious analyst will spend some sleepless early morning hours trying to decide whether the welfare of a certain group will be advanced by an organizational change.

Should employee convenience and satisfac-

tion be weighed? I feel the answer is an indisputable "Yes." This reply need not be based upon humanitarian or democratic grounds, though no doubt it could be. It can be based upon the simple fact that employee convenience and satisfaction are translated rather directly into employee morale and efficiency. An unhappy employee is an inefficient employee. If, for example, an organizational change involves a physical move that means that families must move and find new homes in less desirable locations, this fact should not be disregarded.

7. Are personal factors involved that must be considered?

This heading need not detain us long. I am aware that there is a school of thought which holds that personal factors should be disregarded in favor of "sound principles" of organization—that tailoring an organization to the capacities of its component individuals is (to use one writer's exact metaphor) like designing an engine according to the whims of one's maiden aunt instead of the laws of mechanics. Nevertheless, I hold it to be a self-evident truth that personal factors cannot be (or, what comes to the same thing, will not be) ignored in dealing with organization.

Perhaps they should be minimized; and official policy for obvious reasons must be that they do not exist ("Sir, the Queen of Spain has no legs!"). But they frequently are so prominent they simply cannot be ignored, and no analyst worth his salt would overlook strong evidence that Mr. X has a violent hatred of Mr. Y and that bringing them into certain relationships would create problems; or that Mr. Z is not doing very well with his present responsibilities and that the wisdom of giving him more is questionable. An analyst would not dream of discussing personalities in a report. Nevertheless some administrators play leading roles in dramas in which they get neither lines nor stage directions.

8. Should the factor of tradition or *esprit de corps* be considered?

There are times when the factor of tradition or *esprit de corps* must be assessed. I am a bit uncomfortable in urging the importance of tradition and *esprit de corps*; they are so far from the common-sense-and-science spirit

of the discipline that I feel as though I might be urging that pixies are responsible for bad typing. But I have the feeling, and there it is.

In three types of organization the factors of tradition and *esprit de corps* may be especially important—scientific research organizations, military and semimilitary organizations, and organizations in which the element of professionalism is strong. The destruction of a tradition or the breaking up of a group with a strong corporate spirit should not be done for "light and transient reasons." On the other hand, tradition and corporate spirit may by virtue of their very strength impede the accomplishment of large objectives, and organizational change may be desirable to reduce their effect.

The Making of Organizational Decisions

SO MUCH for how and what to investigate. But how to decide? When the returns are in and the report is due how does the analyst arrive at an answer, and how does he know that it is the right answer? If I knew the answer to these questions I could, of course, set myself up as the Newton of a new science. All I can offer are a few meager ideas.

The first suggestion is that the final decision be a corporate, not an individual, one. "Official" decisions tend by nature to be corporate, of course, but the analyst should go far beyond the requirements of official consultation and clearance. The information and insight of disinterested persons, if possible persons themselves experienced in organizational analysis, should be sought in every instance. In organizational analysis two heads are better than one, three better than two, and so on up to the limit of the analyst's own "span of control" in dealing with such matters. The problems of administration are so vast that one man's experience and wisdom reach but a little way across the expanse. The fifth or the seventh person consulted may supply a piece of information or an insight which will be crucial.

It would be unrealistic and presumptuous to set forth any formula for "weighing" the factors listed above as necessary to be considered. But I will make two observations—the first one rather safe: (1) The least important organizational factor is one that turns out up-

on examination to be not primarily organizational but procedural. Obviously the remedy should be primarily procedural. (2) The most important organizational factors are those I have bundled together under the terms executive control, policy coordination, and functional unity. As a matter of logic and common sense, surely the first consideration should be that we not merely are moving but are moving together toward agreed objectives.

Having stated one criterion to be ultimate on the basis of logic and common sense, I must hasten to emphasize that "the facts" will often reverse the easy assumptions of common sense and the facile generalizations of logic. Facts such as those of geographical location, working interrelations, or strong or weak personalities may reverse the reasonable presumption of early study that because two functions are "related" or two organizational units serve the same clientele they should be brought together.

It has been my observation that at some point in his investigation the analyst gets a "hunch" that he has hit upon the crucial consideration in the total problem being consid-

ered. The hunch may come early or late, but it must inevitably come, to put some order into the whirling confusion of his thoughts. It may be only a self-protective device on the part of his mind, not a revelation of Truth—but it comes. Having been conceived, the hunch will be plopped into the balance; and while all contrary considerations will be carefully thrown into the counterbalance, it probably will be outweighed only by a bigger and better hunch.

One final "word of wisdom": a decision to make an organizational change must be supported by evidence which is conclusive, which demonstrates beyond reasonable doubt that change is desirable. Whatever else they are, established organizations are massive, intricate structures of personal relationships and physical habits. At the outset organizational change brings confusion and insecurity. The end result may be a fresh release of energies, but the immediate effect is reduced efficiency and personal unhappiness. The demonstrable gains of a change must outweigh both the resulting immediate evils and the advantages of a continuation of the status quo.

Regional Research and Training in Public Administration

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THROUGH the past four years a number of state universities in the southeastern region have been bound together in a program of cooperative research and training in public administration which has been a persistent stimulus to the participants and which they believe offers suggestions for similar institutions in other regions. Urged there-to perhaps by the presence of the Tennessee Valley Authority, southeastern political scientists tend to be region conscious. Part of this feeling is aroused by problems which teachers of public administration in the southeastern state universities think they have in common.

As compared to universities in many sections of the country the southeastern state universities suffer certain disadvantages from the point of view of public administration study. With few exceptions these state universities are located in cities other than state capitals; all of them are remote from Washington, New York, and Chicago; many of them are located in small towns. By such location students interested in the national and international sphere, in industrial relations, in finance, and in urban administration are to a degree inconvenienced. Most of the states in which these institutions are located are predominantly rural. Metropolitan areas are not common; Tennessee with its four fairly large metropolitan districts is an exception to the general rule. The governing class is partly rural and the rural institution dominates politically. The population is largely native born; the fermentation created by mixing cultures, where it exists, is a relatively new factor in student life.

The location of the region and its educational institutions is, to be sure, not wholly without advantages. The Tennessee Valley Authority operates in the heart of the region, offering the southern student the best example of determined decentralization on the part of the national government, a decentralization which obtains to a considerable degree inside the Authority itself. Near to the center of the region (in a section referred to in some "slick" magazines as inaccessible, to the astonishment of East Tennesseans) is Oak Ridge, immensely threatening, strangely promising. Scenic resources in the area exert an increasingly powerful pull on visitors from neighboring states to the north. Even a modest and cautious southerner has some reason to hope for the further growth of industry in the region.

In this area may be found some very old state schools, most of which have suffered beyond their lot from war and hard times. The University of Alabama was almost completely destroyed in the Civil War. The University of Tennessee was closed for a long period prior to that war because of lack of funds and afterward faced a long struggle for survival and growth. At present more generous appropriations and a wider appreciation of the functions of the state university give rise to hopes for a better paid staff, expanded and improved graduate work, greater resources for research, and a broader program of state service.

None the less, leaders in southeastern institutions have realized forcibly the necessity of interuniversity cooperation as a means of making the most effective use of resources which are still limited and which may remain

so for some time. Such interuniversity cooperation is evidenced, for example, in the many phases of atomic research occasioned by the presence of Oak Ridge in our midst. Even though on a more limited scale, the regional program in public administration furnishes an example of closer interuniversity cooperation and coordination that is sufficiently effective in its operation and results to make it a matter of interest to public administrators generally.

As separate disciplines political science and public administration are fairly new in the region. Newly organized departments of political science have not been unusual in the region in the past decade; many older departments have recently expanded their teaching and research programs. Hence the region offers opportunities to the research worker and teacher with a taste for pioneering. In spite of our one-party systems, our machines, both urban and rural, our outbreaks of inferiority feeling, the Southeast shows signs of healthy self-criticism and of political reformation which, I am informed, are not present in all sections of the republic. The persistent failure of city managership in a few spots is counterbalanced by the growth of its use elsewhere, in both cities and counties. Some years of widespread public ownership of utilities have now passed with a showing of excellent management. The region has several flourishing state municipal leagues, the Tennessee League being a recent addition to the list. Determined attempts are being made to re-frame archaic constitutions. As for our failures and shortcomings, they are still sufficiently numerous to provide us with ample lecture material. The cooperative program here described is an attempt to meet more fully the opportunities offered by the region's political life.

Our scheme of interuniversity cooperation has, at present, four aspects, some fairly well developed, some still in the planning stage. First of these to be put into operation was the program of pre-entry training in public administration. A proper corollary to this, the development of post-entry training, has been the subject of discussion over the past three years; an attempt to launch such a program will be made shortly. The third facet of interuniversity effort is that furnished by co-

operative research, and the total program is finally rounded out by a predoctoral fellowship program.

Interuniversity Cooperation in Research

THE cooperative research projects may be examined first. These projects, together with the cognate programs here described, have grown out of initiative arising in the University of Alabama.¹ The entire scheme stems from a meeting convened in February, 1944, in Chattanooga for the purpose of discussing the possible areas of interuniversity coordination in the field of public administration. This initial meeting was attended by representatives of the Tennessee Valley Authority,² as well as persons representative of some of the state universities in the area.³ At this meeting, among other matters, the prospects for a cooperative research venture were discussed. Representatives of the Authority suggested the desirability of a study of conservation administration in the southern states. At a second conference held the following spring a decision was made to attack the resources problem. A larger group of state university representatives was assembled in November, 1944, at which time definite plans were made to finance the project. Included in this autumn conference were representatives from the Universities of Alabama, Kentucky, Mississippi, North Carolina, Tennessee, and South Carolina, and from the Tennessee Valley Authority.

Initial plans for financing the project as developed at the autumn meeting involved a request for contributions at each of the participating universities and from the TVA, these to be used as a basis for seeking a grant from an appropriate foundation. University contributions could be in the form either of cash or services of existing staff. In many instances both types of assistance were available. Uni-

¹ In the person of Professor Roscoe C. Martin. Professor Martin has been a constant source of initiative, ideas, and energy, and I feel I speak for the entire group in recognizing his immense contribution.

² Led by Gordon R. Clapp, then general manager.

³ Many people have worked together to make these programs successful, but as I am attempting to describe the purpose, spirit, and methods of a movement and have sought to avoid choking the narrative with too much detail, the names and titles of persons present or institutions represented are often omitted.

versity contributions varied in amount, but were roughly comparable to one another. The TVA agreed to assist and a request made to the General Education Board in aid of the project was granted.

One of the immediate and, we hope, lasting effects of this first regional research project was the aid it furnished to the organization of agencies for public administration research in the South. Such agencies, in the form of bureaus of public administration, were organized to participate in the resources project at the Universities of Mississippi and South Carolina. At the University of Tennessee an existing agency, the Governmental Reference Service, which had lived precariously during several preceding years, was reorganized into a bureau with a clearer place and function in the university structure. The Bureau of Public Administration at Alabama was already well established and research agencies and personnel were available at the Universities of Kentucky and North Carolina. Through these agencies funds and staff were channeled into the study of the administration of conservation activities, research being placed under way during the early months and summer of 1945.

This study is nearing its final stages and individual reports ensuing therefrom are now being published.⁴ In the fall of 1946, consideration was given to the desirability of continuing the cooperative research relationships already so well established. After some discussion, the university representatives, together with spokesmen for the TVA, decided to explore the process by which technical services are made available to and used by state and local governmental agencies. The selection of this subject, which presented unusual difficulties in the isolation and interpretation of material, was occasioned by a growing conviction on the part of participants in the projects that officials on the so-called lower levels of government are willing and eager to make use of expert advice if they know where to get it and how to apply it. This second project was organized on a basis similar to the first and was placed under way during the early months of 1947. The Bureau of Public Administration

at the University of Virginia accepted an invitation to join those who had worked together in the first project.

For other universities and regions which may find this venture provocative, perhaps the methods of organization of the project are more significant than the subjects selected. I think we have nothing startling to offer in this regard; such success as we may have enjoyed arises primarily from a determined effort to pursue a common subject. The machinery consists of research directors and their staffs in each state, who achieve common action through quarterly conferences under the leadership of a chairman. Members of the governmental research staff of the Authority act as coordinating agents. Funds for each state are allotted by a subcommittee of the conference from the moneys made available by the foundation grant, on the basis of the state agency's need plus its ability to match the grant fully or partially. Allocations to states have been in similar but not exactly the same amounts.

The conferences are of enough importance in this scheme of things to warrant some comment. First of all, they are distinguished by hard work and increasingly great freedom of argument and discussion. When it is remembered that these conferences involve almost the same research staff for each of a series of quarterly meetings, it can be seen that this small segment of the research workers of the region are functioning very nearly as closely as many departmental staffs. Participants become familiar with one another's peculiar quirks, they learn to tolerate them, if not to understand them, and they learn something of the situations which exist at the region's institutions. Aside from any results in the form of specific studies, this growing community of work and interests has value for the growth of scholarship and teaching in the discipline.

At conferences the selection of the subject, its limitations, the methods of research to be used, and the type of publication are all discussed and usually determined, together with more routine matters, such as publication policies, format, titles, and so on. So far the conferences have behaved very much like the Confederacy. Each state director is left considerable independence as to the exact scope and

⁴ The published reports will be offered to *Public Administration Review* for comment. I shall confine myself to saying what we hope to achieve or, in some cases, believe we have already accomplished.

method of his study. For example, in the conservation study, complete agreement was not reached on the question of including federal activities in the survey. Hence, some studies will show more material on federal activities than will others. These studies will not be entirely uniform with respect to the presentation of financial and statistical data. Some give more attention to the substantive aspects of conservation programs than do others and, in particular, some devote more space to educational programs than do others.

These differences may not be entirely advisable, but some reasons for difference are compelling. To begin with, not exactly the same information is obtainable in all states. Financial and personnel statistics vary decidedly from one state to another. Secondly, state programs differ widely. One state emphasizes conservation education; another may not. Again, the bents and interests of the research directors and staffs will be variously reflected. The conference is fully conscious of states' rights and each state is left considerable latitude.

None the less, each state agency works to an outline that is gradually hammered into a shape which the conference seeks to make clear, detailed, and complete. That this is a task beset by snares and delusions is emphasized in a comment drawn from one of the participants who opined that the matter under discussion had been better understood by him before it was clarified. The conferees have not yet reached that stage of communion described by Robert Schumann, who after a day of little or no conversation spent in the company of Clara Wieck, later his wife, said, "Today we have completely understood each other."

The governmental research staff of the Authority has undertaken to act between conferences as the coordinating agency for these studies. What coordination involves in the argot of public administration is still not beautifully clear. In the case of the cooperative studies it has meant above all the preparation of outlines, bibliography, and materials where federal activity is concerned, plus the summation of the individual state studies in a final regional report. This report, in view of the variations between states just noted, is no easy

task, but one of considerable importance, for it will furnish the only quick means for comparing the achievements of different states. The TVA staff has, of course, fully participated in conference sessions.

Publication plans in the instance of the conservation administration study involve the issuance of separate state reports, each of approximately two hundred pages, plus the summary report referred to above. The present technical services study, on the other hand, will take a somewhat different course. Three types of publication are presently planned. One is a handbook, to be prepared in each state, showing where and what technical services can be obtained, with perhaps some brief indication of the amount of such aid which can be provided by the agency indicated. The conference is also much concerned with the process whereby technical advice is translated into action and each state will prepare and publish a report using a series of case studies to describe this process. Finally, a summary report will be prepared by the Authority staff fixing in print whatever generalizations may be inferred from the findings within the states.

We are, it is hoped, only beginning a period of cooperative research which can continue for some time to come. Even so, a number of results have already indirectly flowed from the process of common work. Most evident is the establishment of the bureaus previously mentioned. Although these bureaus might well have been organized without the cooperative venture, there exists little doubt in my mind that the unified program has brought them into existence much more rapidly and effectively than would otherwise have been the case. The time and effort of the staff thus assembled have been turned in part to other projects and publications useful in the individual states. Institutions have thus been created which should be able to justify their existence even beyond the life of any cooperative activity.

A second by-product of the venture has been the introduction of a medium of contact between state and local officials and the academic world. Here also, no doubt, such channels can readily be established without the intervention of regional cooperation. Still, observation of our own state and reports from others indicate very definitely that the regional

cooperation of the past several years has enormously stimulated and facilitated university-state relationships. The research program requires university personnel to enter state offices and to explore their programs and, from the other side, state officials become conscious of their state university's work in administration as part of a larger pattern.

The third indirect result of the cooperative research program, that of contact between the universities themselves, has already been noted. One may legitimately hope that this acquaintance may have continually wider effects as other branches of the universities involved become familiar with the success achieved in the field of public administration. The importance of such indirect effects for higher education in the South can scarcely, I believe, be exaggerated.

As individual state reports covering the conservation survey are only now coming from the press it is too early to say what direct results may flow from their publication. In any event, such effects will be difficult to trace, in as much as this venture partakes of the vast uncertainties which surround all educational efforts. The Mississippi study has received favorable attention from state officials. Requests for additional memoranda have come to the Mississippi Bureau from forestry and wildlife officials. The Delta Council, a development agency for the Mississippi Delta, has requested the bureau to make a sectional study of Delta resources for use in the council's program, the study to include both an inventory of resources and an examination of governmental means of improving resource utilization. The Mississippi study provided some campaign material in a recent race for the governorship.

Similar interest has been manifested in South Carolina, where the state report has recently been distributed. There the report will be used by the Development Board in its campaign of state advertising. Administrators of the Santee-Cooper project are planning to reproduce that portion of the report which deals with their work.

The present formal reports are not so designed as to reach and interest the general public but are directed rather to officials and special interests. For this reason some states

are planning to use the material in supplementary reports. For example, the Mississippi Bureau will probably print a simplified summation of the principal findings in that state, where the present scattering of administrative agencies invites an attempt to bring to citizens a wider appreciation of the advantages of improved administrative machinery and techniques. In Tennessee plans are being laid for the publication, following the issuance of the general state study, of supplementary detailed reports dealing with individual resources programs, such as soil and forest conservation. Some consideration is now being given by conference participants to the possibility of recasting the material in the forthcoming state studies in forms which can be used in schools below the college level.⁵

The survey of technical services available to state and local governments is only now in process and publication is some months distant. Even at this stage, however, it is apparent that information of the type which the handbook will contain is badly needed and will excite interest. The Tennessee State Planning Commission has agreed to amalgamate with the Tennessee Bureau report a similar study which it had started independently. The Tennessee Municipal League has expressed great interest in the report, as have individual city administrations. Whether the survey of the process of making technical aid available will be productive of increased use of such aid remains to be seen. Certainly the cooperating agencies are here attacking an unusually intangible area, even for agencies accustomed to confronting imponderables.

Among the staff members who have spent the past months in cooperative research a conviction of the importance of that effort and a desire to see it continue are quite evident. So far comparatively little attention has been devoted to possible improvements in the research techniques or the machinery of cooperation, but some ideas in that direction may be hazarded at this point. The TVA staff has experienced some difficulty in producing

⁵ As an offshoot of the resources study, the Universities of Alabama, Kentucky, and Tennessee have made a study of control of river-front lands, the survey having developed out of a request of the Alabama State Planning Board. This study will be published separately.

a summary report from state reports which have shown considerable variations, even though produced within a common frame of reference. So far there has been little disposition to insist on a greater degree of uniformity as between participating states, and it is questionable whether such action would be wise, for the audience for these reports still lies primarily within the participating university's own state. Inevitable differences between the states will limit regional uniformity to some degree.

Perhaps the same conclusion cannot be drawn, however, with respect to research techniques. This matter remains, however, a largely unexplored field for, in general, the studies have not proceeded beyond the conventional use of documents and interviews.

To some degree the program suffers from some instability of tenure among junior staff. Stronger financial support would be necessary to remedy this condition, for junior staff positions are now filled in considerable measure by persons who expect to return to graduate study in due course. This situation has been remedied in part by the recruitment of intermediate supervisors the existence of whose positions will likely induce greater stability.

If the cooperative aspects of the program have merit, the greatest benefit which might result would be the extension of cooperation to other schools and subjects. The addition of Virginia to the group of cooperating institutions has, however, brought the area involved to the point where the addition of many more states would go beyond a convenient region. So far only state universities are included. The addition of other state schools or private institutions raises questions of policy which the conference has skirted from time to time without attempting a definite conclusion.

There is evidence that this form of cooperative research in the region is already in progress in other fields, both in natural science and in other areas of the social studies. My own impression, however, although uninformed, is that efforts in other social sciences have not involved the same degree of sustained and complete community. In any case, I believe this form of activity duly extended could be of the utmost worth to the intellectual development of our region.

Pre-Service Training

THE research program is only one aspect of a larger regional program of public administration. Interacting with it is a program of pre-service training and a doctoral program. To these may be added an in-service program, if present discussions mature.

The pre-service training program, now in its fourth year, was the first aspect of the total project to be placed in operation. A detailed and complete examination of this scheme is now being prepared for subsequent publication toward the end of the current year's experience, and it therefore seems wise at this juncture to give only a brief résumé of the in-service project in order to present a rounded out account of the entire development.

The pre-service program, officially called the Southern Regional Training Program in Public Administration, is more modest in scope than the research projects. It involves the provision of training for a selected group of fellows, ten or fewer, who are given fellowships during a period of twelve months. So far not more than three schools have been at one time concerned in this program, in spite of some discussions for extension. In 1944-45 the participating schools were the Universities of Alabama, Georgia, and Tennessee. Since that year the three schools have been the Universities of Alabama, Kentucky, and Tennessee.

At each of the schools involved the quarter system is in force and the candidate for the customary degree of master of arts must take a full load during three quarters. The SRTF fellow, however, must devote a longer period to his work, for he begins with a 3-month internship in a government department, usually in a state or local agency, after which he has three full quarters of course work divided equally between the three cooperating institutions. If he completes this work to the satisfaction of the administering committee he is granted a certificate. Fellows who wish to take the M. A. degree must follow this 12-month period of training with the preparation, usually at their own expense, of a thesis, which will require usually an additional quarter. The total program then, including the thesis, will consume at least fifteen months, as compared to nine ordinarily demanded of the M. A. candidate. On the other hand, the

committee administering the program relaxes somewhat the traditional prerequisites for candidacy to an M. A. in political science, for students have been admitted to the program without an undergraduate major in political science, or, in some cases, in any social science.

The pre-service program is directed by the Southern Regional Training Committee, consisting of representatives of the participating universities, Alabama College, and the Tennessee Valley Authority. Detailed administration is provided by an educational adviser located at the University of Alabama,⁶ who along with numerous other duties conducts the recruiting program, screens candidates initially, supervises the interns during the period of internship, and advises the committee on curricular matters.

This program was launched in the summer of 1944, at a time when recruitment was very difficult. During the succeeding years, interns have been placed in such agencies as the Tennessee Valley Authority, state planning commissions, the Kentucky Department of Revenue, state personnel departments, state welfare departments, and the Tennessee State Department of Conservation. Generally interns are located in departments within the cooperating states, although not in their own states. On occasion they are placed outside the cooperating states. Thus, one was interned in North Carolina and another in a Florida city. During the summer of 1947, especial attention was given to locating interns in cities.

In the course of the school year fellows move each quarter from one university to the next on the list. The fall is spent in Alabama, the spring amid the Kentucky bluegrass, and the winter in Tennessee, where surely the climate is, at that season, one of the most miserable. As this course, however, seems to be logical from the point of view of curriculum, we have only commented on the weather without doing anything about it.

Ideally one would suppose that, under this scheme of peripatetic scholarship, each participating school would develop a specialty of its own as its peculiar contribution to the curriculum. Only to a limited degree can this be true. Each school has other graduate and

undergraduate students whose needs must be satisfied. Moreover, as the program is an experiment whose ultimate outcome is not certain, no school could afford to specialize too far. Nevertheless some areas of special interest have grown up, arising out of existing courses and available personnel. Alabama has assumed the task of providing basic introduction to the fields of public administration and constitutional law. At Tennessee a degree of specialization in personnel administration and labor relations is reached, and at Kentucky financial administration is stressed.

This pattern has been reached after three years of experimentation and the educational adviser, with the assistance of the supervising committee, is now attempting to refine the curriculum as a whole. Teachers of public administration will be well aware of the difficulty of this task. The committee is attempting to secure at each institution a judicious mixture of courses dealing, first, directly with fields of administration; second, with tool courses such as statistics and reporting; third, with social science courses closely related to the policy-forming aspect of an administrator's work; and, finally, with cognate areas, such as political thought, comparative government, and legislation. In general, the program has not departed very far from the view that university training should be supplemented in agency in-service training programs and through experience. I need not expand on the weaknesses and strengths of this approach to our professional dilemma. So far the program has worked largely within the framework of existing faculty and course offerings. I am inclined myself to believe that we can move somewhat further along the line of professionalization of the curriculum without running the danger of giving up too much of the valuable social science background which the well-trained administrator should have.

As in the case of the cooperative research program, the pre-service training program has had the effect of bringing the participating universities into close contact and increasing harmony. However, the pre-service program requires a degree of consultation and coordination not needed or present in the research projects. In fact, the number of administrative details to be solved in such a joint ar-

⁶For one year, Dr. Howard White, on leave from Miami University, and thereafter Dr. Albert Lepawsky

rangement has led to the widely held belief that universities cannot or will not cooperate in what amounts to a combined educational program. If the Southern Regional Training Program has done nothing else it has demonstrated that such joint effort between differently located scholars is entirely feasible. The three cooperating schools possess the customary number of *prima donnas*.

The presence of a group of eight or ten specially chosen graduate students has had a stimulating effect on the graduate program of the participating departments. Furthermore the internship program has been beneficial in promoting the growth of closer relationships between the universities and the governmental agencies in their vicinity. There have been few, if any, agencies where the presence of the intern has not aroused the agency's interest and its desire to continue with the program. A definite attempt has been made to extend the number and type of agencies in which the interns are placed and the most recent placement of internees reaches into the as yet largely untouched field of local government.

The pre-service training program is distinct from the cooperative research program, but each affects the other in various ways. Subject matter developed in the research program has been useful in the training program. Students who have passed through the training program have furnished a much-needed reservoir for staff members of the university bureaus of public administration. The relationship of the pre-service program to the program of doctoral study and the in-service training program, to be described below, is more clearly evident.

No doubt, as tested by similar training programs established elsewhere, the pre-service training program has not been completely satisfactory, although I confess that my own misgivings on this score are not yet very great, perhaps not so much so as those of some of my colleagues. The pre-service training program has been operated only a few years and those during difficult times, when recruitment of both students and teaching staff presented more than usual difficulties. Graduates of the program have found employment in federal and state agencies, in private organizations dealing with governmental matters, in university research work, in further graduate work, and in teaching. True, a great many of them

have not gone into administrative work, at least as yet, and some on the distaff side have chosen what our home economics friends have rather coyly dubbed "homemaking," where administrative problems must assuredly be at the opposite pole from public. All of this fails to move the writer greatly. I do not make the mistake of supposing that southern state and local governments will drastically alter their employment methods as the result of a 3- or 4-year experiment in more effective pre-service training. For all of that, I would not suggest any abandonment of the present effort.

Nor may we expect to be free from doubts and uncertainties regarding the content of the curriculum. We face the same problems which exercise the profession everywhere and, if we have found no satisfactory solution, we may console ourselves by regarding similar predicaments in cognate fields, a dangerous but "very present" solace.

The pre-service program, like the research program, has received help from a General Education Board grant made through the University of Alabama. Could it be continued without such help? The lack of such aid would entail serious difficulties, but, if necessary, I hope an attempt at continuance will be made.

The Doctoral Program

THE same committee which administers the pre-service training program also acts as a group advisory to the University of Alabama in the administration of funds made available by the General Education Board for sending prospective teachers of public administration to leading graduate schools for work leading to the doctorate. The purpose of this doctoral program is to provide the South with teachers in the field, and students who receive the generous financial aid so provided are pledged to return to teaching or research posts in the South for a period equivalent to their fellowships, provided suitable posts are available. If they elect not to return they may regard the fellowships as loans payable with interest. The doctoral program was put into operation following the launching of the pre-service and research programs. Up to the present no recipient of such fellowships has received the doctorate, but successful progress toward it

has been made by fellows at Harvard, Northwestern, Wisconsin, and Chicago, and other students will add Columbia, Minnesota, Illinois, and California (at Berkeley) to the list. The southeastern region thus stands some chance of reaping the reward which such a denial of provincialism usually provides.

An In-Service Training Program

THE preliminary discussions which led to the development of the pre-service training program envisaged the possibility that at an appropriate time the participating universities would attempt the stimulation of an in-service training program. The Tennessee Valley Authority has always been intensely interested in this proposal. Until the summer of 1947 nothing concrete was attempted in this direction, but in August of this year a 10-state conference was convened at Fontana, North Carolina, for the purpose of exploring this subject. Out of the conference it is hoped that a post-entry training program in the public service may be developed through the coordinated effort of universities in the Southeast.

Of course, it would be presumptuous to suppose that post-entry training programs do not yet exist in this area. Federal, state, and local agencies do in fact carry on fairly extensive post-entry training of a formalized character, as the Fontana conference clearly demonstrated. However, such efforts are often uncoordinated and there appear to be loopholes of considerable scope. In particular, although many university departments have

been concerned in public service post-entry training programs, departments of political science in the Southeast have not been particularly active in the matter.

The Fontana conference was informational and exploratory. Nevertheless, it was suggested by the conference, which included federal, state, and local officials as well as southern political scientists, that steps be taken to stimulate, as a regional effort, the development of further post-entry training in the Southeast. To this end, it was proposed that an in-service training council be set up in each state to bring together the various public and semi-public agencies interested in such programs. It was also proposed that effort be coordinated on a regional basis and that, until a more comprehensive regional organization could be established, the Southern Regional Training Committee act as an interim agency to develop and promote the program which the conference could foresee as a possibility. This responsibility was assumed by the committee which will seek to enlist the interest and support of sister universities in the southeastern region.

Even though it is too early to forecast the effectiveness of this fourth and newest phase of the regional program in public administration research and training in the Southeast, the importance of a post-entry program to the total activity is fully appreciated by participating institutions. I believe a sustained effort to develop such a program may be expected beginning in the coming year.

Trends in British Local Government

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I

THROUGHOUT the democratic world today it would appear that of necessity the most active attention is focused upon central governments. The struggle to cope with the dramatic problems of postwar reconstruction, housing, and food supply and to achieve stabilized domestic economies plays the spotlight upon cabinets and ministers of the national governments. The exigencies of war and civilian defense threatened earlier to blot out the very structure of local government. Now that the Labour Government of Great Britain has legislated and organized for two years to accomplish large measures of nationalization, the American student may well have lost sight of British local government.

That local government has great vitality and is viewed with respect in Britain was demonstrated during the war. In the midst of a war for survival, powerful groups insisted upon talking about the place of local government in the British constitutional pattern. While local fire brigades and police departments might be unified in wartime for the common protection of the country, associations of local authorities wanted to know if centralization were the plan for the postwar years as well. In general, the strategy in this policy argument developed thus: the associations of local authorities insisted that the Government develop a plan for national-local relations, that even as the war was being fought a royal commission should be working on the problem. Contrary to that, Prime Minister Churchill's point of view was that there is no time for all this; that every ounce of energy must be spent in winning the war; that there will be sufficient time to consider the constitutional structure after the military operations have been successful.

While the Prime Minister carried his point, the drive to force a consideration of policy never ceased. Studies and proposals dealing with short-range as well as long-term objectives came forth from several important sources. The friends of local government in Britain were most afraid of the regional commissioner system which the national government set up by orders-in-council at the very beginning of the war. Under this system the country was divided into twelve regions with the thought that full authority to conduct civil government could be delegated to the respective commissioners if the country were invaded and the national government were forced to leave the British Isles. While that eventuality never developed, important powers for coordinating civilian defense services were given the commissioners, especially in the southern regions where the threat of invasion remained and from which the Allied operations against the Continent were launched. There was some danger that the administrative arrangements built up during war conditions might supersede locally elected governments in the postwar operations. However, the regional commissioner system was demobilized fairly promptly following V-E Day.

Three major reports issued during the war period dealt with long-range proposals. Each of these came from sources close to local government, yet each assumed that the *status quo ante bellum* could not be regained. Each proposed a reorganization of the structure of local government with a view to strengthening it in order that charges that local government could not cope properly with postwar reconstruction problems might be forestalled. The first plan was that presented by the association representing the elected local officials, the Associa-

tion of Municipal Corporations. Another came from the national organization of local civil servants, the National Association of Local Government Officers. A third came from the Labour party, whose leaders while serving in the Churchill coalition government felt that the party should develop a policy for the post-war reconstruction of the country.

The Association of Municipal Corporations has been active for several years in presenting the point of view of the larger urban units. It has had a strong relationship with Ministers and with members of Parliament. In 1942, a committee of the Association headed by Sir Miles Mitchell, alderman of Manchester, proposed a plan to rationalize the local authorities by (a) reducing the number of local authorities, (b) reducing the number of types of local authorities, and (c) creating single all-purpose authorities in all areas possible. The heart of this proposal involved the suggested all-purpose authorities that would embrace rural as well as urban land. In some respects this proposed unit resembled an enlarged county borough. In fact, later issues of the committee report described the county borough as the best type of local unit yet developed for England.

The committee that drew up this plan was composed mainly of officials of the larger towns. It is not surprising, therefore, that opposition was raised by the smaller towns with ancient charters. The committee report was adopted ultimately by the association, but in October, 1942, a meeting composed of representatives of forty-nine towns having less than 10,000 population each and with charters more than one hundred years old met with Sir Miles Mitchell. This group succeeded in toning down the original AMC plan and put the association in a position opposing any attempt Parliament or the Government might make that would encroach upon the ancient prerogatives of the small chartered boroughs.

In April, 1943, the Labour party executive approved a proposal for the complete reorganization of local government areas in England and Wales and a consequent regrouping of functions.¹ This plan was laid before the party

conference in June, and although it raised considerable controversy it was approved. The plan drafted general principles of reorganization but it avoided such thorny problems as the reorganization of areas in metropolitan London. It proposed that all existing local units be regrouped to constitute two levels of authority. The upper level was to be a regional authority, governed by an elected council, with area much the same as the present administrative counties. These regional units were to be responsible for education, town and country planning, housing, main drainage, major roads, fire services, hospitals, health centers and other institutions, public assistance, licensing, refuse, and a number of other functions. The lower level was to comprise local areas, also governed by elected councils. Local area functions were to consist of (a) those delegated by the regional authority, and (b) some exclusive functions such as child and maternity welfare, sanitary inspection, sewerage, minor roads, local housing, and execution of the details of town and country planning. The essential desiderata in the Labour plan were to provide (a) administrative units large enough to manage the main services efficiently and yet small and coherent enough to have some sense of community, and (b) local areas small enough to give the citizen a sense of counting in the management of local affairs.

The third notable report on reorganization of local government was presented by a committee of the National Association of Local Government Officers.² It, like the other two reports, started with the premise that existing small units were inefficient and that a reorganization of types and areas was necessary. It proposed two types. The province, headed by a provincial council, would be responsible for planning and coordination of local administration. Schemes for large-scale undertakings would originate with the provincial council and would be subject to central review. Administrative responsibility would then be delegated by the province to all-purpose local authori-

ences on them were held in thirty-three localities during the following year.

¹ J. H. Warren, *The English Local Government System* (George Allen and Unwin, 1946), pp. 158-167.

J. H. Warren, "The Structure of Local Government: and Recent Proposals for Its Reform," 22 *Public Administration* 3-13 (Spring 1944).

² Labour Party, *The Future of Local Government; The Labour Party's Post-War Policy*. This report was prepared by an advisory committee appointed by the Central Committee on Reconstruction in 1941. Its provisional proposals were published in 1942, and confer-

ties, headed by local elected councils. The provincial councils would be composed of representatives of the local councils. It was argued that county boroughs, the smaller boroughs, and the urban districts would be fitted into this scheme. While more complicated than the other plans, the NALGO proposal departed least from the existing pattern and also was the most specific.

Almost every branch of local government spoke its lines during this time. Letters to the *London Times* aired opinions of various groups in traditional manner. In October, 1942, Sir Percy Hurd, President of the Rural District Councils Association, wrote urging the retention of these councils, saying that "in four fifths of the land in England and Wales, rural district councils administer the affairs that come closest to the homes of the people." Lord Denham, chairman of the Urban District Councils Association, and R. D. Everest, of the rural districts association, joined in saying that "the real reform is the continuation of county reviews begun under the Local Government Act of 1929." The County Councils Association urged that the administrative county be made the principal unit of local government.

In July, 1943, the controversy neared a peak. The Association of Municipal Corporations and the County Councils Association issued a joint statement viewing with alarm the Government's tendency to encroach upon local government and urging that piecemeal chipping away of powers and functions cease. During the next month, representatives of the two groups waited upon Sir William (now Lord) Jowitt, Minister without Portfolio, and Mr. Ernest Brown, Minister of Education, to urge the Government to study the reorganization of local government as part of the postwar reconstruction. They urged also that no future major change be made without study by a Royal Commission or similar body. During September, several questions were asked in Parliament regarding transfer of powers from local government to Whitehall. Pressure from local authorities had become so great by this time that the Prime Minister was forced to make a statement for the Government and on September 22, 1943, Churchill replied rejecting the local authorities' requests. In his view,

too much time would be involved in a full-scale inquiry; the necessities of wartime did not permit it. In general, his attitude was that this was a postwar problem that would have to wait until hostilities ceased. To Sir William Jowitt fell the task of answering the local authorities in detail.

II

THERE the matter rested for nearly a year. Duties within the Cabinet were reassigned. When next the issue was raised in Parliament, the Minister of Health answered to say that there was no general desire to disturb the structure of government; there was no intention of retaining the regional government. He promised a White Paper setting forth more detail.

In January, 1945, H. U. Willinck, the Minister of Health, laid before Parliament a White Paper wherein it was stated that there was no consensus among the interested groups regarding reorganization of local government and that reconstruction could not await the results of a thorough study of local government. Adjustment of local government areas was the only reform offered in the White Paper. All proposals for altering local boundaries and for creating new county boroughs had been suspended by direction of Parliament during the war. The redevelopment of war-damaged towns as well as the usual problem of dealing with the "overspill" of population made alteration and review of local boundaries an urgent matter.

The White Paper proposed that this review of local boundaries be assigned to an administrative commission, styled the Local Government (Boundary) Commission, which was to have authority to institute inquiry into the need for revising local boundaries as well as to proceed after petition from local authorities. Furthermore, it was to have power to execute its findings. It could grant county borough status to municipal boroughs and it might take away county borough status from those units that had lost population heavily.

While the terms of the White Paper fell far short of the reforms discussed in 1943, there was no substantial opposition to the proposals. Discussions in the House of Commons showed little opposition. Herbert Morrison, the Labour Minister of Home Affairs in the Coali-

tion Government, speaking in support of the bill said that although the reorganization of local government was greatly desired, it would have to wait. Boundary adjustment was an important first step.

Outside the Commons, the Liberal party published a report of its studies of local government in which boundary adjustment was urged.³ One chapter of the report proposed the creation of a permanent commission to adjust local areas. The White Paper was translated into governmental action in February.

As has been common practice in dealing with English local government, the boundary adjustment program exempted London metropolitan government from the reforms planned for local government in other parts of the country. The local authorities in Middlesex County, comprising the suburban ring around London on the west and north, were exempt from the inquiries of the Local Government (Boundary) Commission. A separate commission was to be appointed to study the areas of the metropolitan boroughs in London County and to work out a plan for reallocating functions between these boroughs and the London County Council. In April, 1945, the committee for London was appointed with the Marquis of Reading as chairman.

III

BEFORE any of the policies set forth in the White Paper could be implemented, the party truce broke up and the Coalition Government came to an end. The general election of July 5, 1945, returned a huge majority of Labour members to the House of Commons, and Labour was asked to form a government. Aneurin Bevan became Minister of Health and upon him devolved the administration of the policy already begun. In November, he appointed the Local Government Commission. As required by statute, he laid before both houses of Parliament the instructions to the commission. These were approved with almost no discussion.

Members of the commission represented a considerable variety of experience and interest. Under the scheme of organization, the chairman and three other members were to serve on a part-time basis. The deputy chair-

man was to serve full time. Sir Malcolm Trustram Eve, who was selected chairman, had served throughout the war as chairman of the War Damage Commission. Sir George Etherington had been clerk of the Lancashire County Council and was a member of the Ministry of Works and Planning Advisory Panel in 1942. Sir Frederick Rees, vice chancellor of the University of Wales, had served as chairman of the Advisory Council of Welsh Reconstruction Problems. Mr. William Holmes was former secretary of the National Union of Agricultural Workers. Sir John Maude, chosen deputy chairman, was Permanent Secretary of the Ministry of Health prior to his appointment to the commission. Earlier he had taught at Oxford and had written several books on local government. The Association of Municipal Corporations encouraged the local authorities to release staff recruited by the commission, pointing out that the experience would pay dividends later.⁴

During the spring of 1946, the commission sent out notice of its intentions to local authorities that might be affected and invited the submission of information. By July, the commission felt that it was in a position to distinguish between the emergent areas and those that could wait for some time to have their problems reviewed. The commission planned to devote its next year to the emergency problem areas.

In its proceedings the commission has found it desirable to send hearing agents into many localities to take testimony and to examine numerous problems on the spot and report testimony and facts to the commission. The commission is to determine policy and issue findings and orders. It is required by statute to report to Parliament at least once each year on its operations.

As might be expected, the commission has many applications for county borough status before it. A county borough becomes an all-purpose, integrated authority independent of the administrative county. Communities that have gained heavily in population are particularly anxious to obtain this status. An interesting feature of many applications is that

³ 16 *Municipal Review* 276 (December, 1945).

Mr. Harold F. Williams was appointed secretary to the commission, and Mr. A. F. Greenwood, town clerk of Leamington Spa, was made assistant secretary.

⁴ Reported in the *London Times*, January 13, 1945.

populous boroughs seek to annex their suburban fringe, plus a rather sizable bit of surrounding countryside, and propose to have the whole consolidated area recognized as a county borough. The administrative counties have been constantly perplexed by this withdrawal of taxable land from their jurisdiction. However, the Local Government (Boundary) Commission has the boundaries of administrative counties under review also. A number of the counties are too small to justify their independent status. Mr. Bevan's instructions to the commission direct that body to consider the economic and social community as the background for efficient government. While in the end, no doubt, some compromises will be made with history and geographic convenience, the emphasis appears to be upon drawing boundaries in a manner to produce local authorities that will be able to support local services.

What of other programs, under Labour responsibility? The Reading Commission has been discharged, and apparently the analysis of London's problems has been put over to the future. On October 24, 1946, Mr. Bevan stated that

The local authorities most closely affected have taken the view that the problem before the Committee was only one facet of the many sided problem of Greater London and that in advance of an inquiry into the wider problem they could submit little more than factual evidence to the Committee. It has become increasingly apparent that the problem which the Committee was asked to undertake cannot satisfactorily be divorced from that of Greater London and that any determination of the areas of metropolitan borough councils and of the distribution of functions between them and the London County Council must await an investigation into the wider problem which must in turn await the settlement of the range of functions, old and new, which are to be entrusted to local authorities.

What is being done to determine the range of local functions which are to be entrusted to local authorities? One answer is contained in the return of functions taken over by the central government during the war. In 1944, when facing a deputation from the local authorities who requested the immediate return of the fire services to local government, Mr. Morrison said that he had learned much in

three years with the National Fire Service, and that he was now convinced that these forces could not be "returned" to all the units that originally gave them up. The larger and better financed units, e.g., the administrative counties and the county boroughs, were the most efficient and therefore the fire forces should be transferred to them rather than be returned to previous undertakers.

After extended conversations with the associations of local authorities, the Minister for Home Affairs, Mr. Ede, put through legislation to transfer the fire services to the counties and county boroughs by April 1, 1948. While non-county boroughs and urban district councils are not to have management of local fire forces, these units are to confer with the county councils relative to the way they may assist in doing the work when the services are handed over.

This is the first instance of denationalization of a function. Strong controlling authority is to be retained by the Minister. He will have power to set standards of efficiency and to inquire into the financial plans in the interest of economy as well. He may establish standardized procedure for recruitment, although local authorities will do the actual selecting of recruits. The chief fire officer for each authority will be selected subject to approval of the Home Office. Standardization of equipment will be ensured through central purchasing.

This plan is obviously intended to keep the local authorities up to a high nation-wide standard of performance while permitting local operation. Under the conditions of control, the central government is under obligation to carry a portion of the cost. The Treasury proposes to settle a 25 per cent block grant upon each authority receiving a fire service. Parliamentary opposition was most critical of this figure as being entirely inadequate to the great cost being placed upon the local authorities by central supervision. The Government contends, however, that the local authorities are getting a well-equipped service without having to spend large sums for equipment.⁵

With respect to the police forces, the Government has indicated that it is not interested in nationalizing the force although it is interested

⁵ House of Commons, *Parliamentary Debates*, March 27, 1947, pp. 1424-1521.

in creating larger police units. In 1945, Mr. Ede sponsored a bill to make the wartime consolidation of police forces in non-county boroughs with the county forces a permanent arrangement. Although this bill was opposed by the Association of Municipal Corporations, it became law in 1946 and transferred the police function from boroughs with less than 50,000 population to the administrative counties. While in actuality this act affected only a small number of boroughs, it served to emphasize the shift of functions to the larger units.⁶

The distribution of functions between the local units is indicated further in statutes pertaining to education, poor relief, and national health. The Education Act of 1944, drafted by a Coalition Government and claimed by the Conservatives, made the administrative counties and the county boroughs the education authorities. At the time the act was passed there were 152 boroughs and 17 urban districts operating as autonomous authorities for elementary education. Any of those with 60,000 population or 7,000 elementary school pupils were allowed to maintain their local control. One feature of this act was to give to the Minister more effective power of direction and control over the whole field of publicly aided education. In making the counties and county boroughs education authorities it was felt that the strongest units were being selected. A second outstanding feature of the act was the desire for decentralization of educational administration. Counties and county boroughs were directed to submit plans to the Minister for delegating certain of their functions to divisional executives. These could be non-county boroughs, urban districts, or combinations of each. The degree of delegation was to vary according to local conditions and needs.⁷

Poor relief became the duty of counties and county boroughs under the Local Government Act of 1929. Previous to that a large number of boards of guardians had performed the function.

⁶ The shift of these police forces was by no means an original policy with the Labour party. A similar policy was advocated by the Desborough Committee in 1919, by the Select Committee of the House of Commons in 1932, and by the *Departmental Committee Report* in 1938 (Home Department).

⁷ Ministry of Education, *A Guide to the Educational System of England and Wales* (1945).

The National Health Service Act, 1946, is a significant piece of legislation. All hospitals, local and private alike, will be transferred to the Minister of Health who is to appoint a series of regional boards to administer them. In addition, control over tuberculosis and venereal disease programs is to be transferred from local authorities to the regional boards. Each region is based upon a university and its medical school. Local interests will be represented on these regional boards by reason of the fact that the Minister will consult with the local authorities, the medical profession, and the universities in appointing these regional boards. These boards will have considerable autonomy and will have much discretion in spending their funds.

The act designates counties and county boroughs as local health authorities and specifies the following functions as mandatory upon them: health centers, care of mothers and young children, midwifery, health visiting, home nursing, immunization, ambulances, prevention of illness, and provision of domestic help in case of illness. Control of epidemics and contagious diseases will remain with local authorities, as will operation of clinics and health centers. The health center is a new feature to be developed for use by groups of doctors practicing under the socialized medical plan.

The national scheme for administering general medical, dental, and pharmaceutical services will operate normally within the limits of a local authority area. Therefore, the local authorities will be represented on the executive councils directing these functions locally under the Minister's direction. The position of the local authorities has been summarized:

From the local authorities' point of view, the Act materially reduces the extent of the services for which they have long been responsible. Through those of their members who are appointed to regional hospital boards, hospital management committees or executive councils local authorities will be able to take an indirect interest in the operation in their areas of all the services provided by the Act. They can, in addition, help to ensure a fruitful co-operation between their own services and those administered by the various bodies created by the Act.⁸

While the bill was going through Parliament

⁸ 18 *Municipal Review* 69 March 1947).

several attempts were made to amend it to assure non-county boroughs a greater part in the program. These amendments sought to require counties to delegate functions to the non-county boroughs, but the Government refused to agree to this. The Minister promised, however, that these units would be considered in working out the plans. It is now expected that the act will be put into operation by April 1, 1948.

In each of these statutes, regardless of which party forms the Government, the same trend appears: the county and county borough emerge as the favored units of local government. A new regional grouping tends to appear in the Labour program. Spokesmen for the non-county boroughs and the urban district councils charge that the Government is proceeding by piecemeal legislative effort to chip away the powers and prerogatives of these units of local government. Many of them continue to call for a Royal Commission to study the problem of functions, implying that if there is to be a transfer of functions it should be accomplished according to one grand-scale blueprint. Minister of Health Bevan has replied that the structure and allocation of functions in local government are bound to change but that it is no use trying to settle all the details in advance.⁹ The Government prefers to consider the relationship of central government to local authorities and the allocation of duties with respect to each functional program. This leaves many details to be adjusted at some future date, an essentially pragmatic approach.

There would appear to be a tendency for each Ministry to promote its own schemes for national-local relations without close attention to how those schemes will fit the schemes of other Ministers. For example, the Minister of Health has indicated to the Local Government (Boundry) Commission that 60,000 population is the minimum (and 100,000 preferable) for a county borough, the integrated all-purpose unit most favored for urban government. On the other hand, the Minister of Town and Country Planning, in promoting new towns authorized by the New Towns Act, 1946, stipulates that 60,000 population is the maximum

desired for those economically and socially self-contained communities. A question has been raised: will the new towns be debarred from obtaining the same unity in the local government field? Must they content themselves with the status of a municipal borough, a unit that is losing functions rapidly and that does not enjoy the powers and standing of a county borough? The respective Ministers answer that the problem will be met when the towns are in operation.

IV

IS THE Labour party, in view of its policy statement in 1943, likely to require drastic overhauling of local government while reforming the economic pattern of the country? It is notable that the Labour party found local government a training ground in public affairs and administration. The Fabians, a group that provided much of the intellectual element in the Labour party, were administrative reformers first of all. They found local government a fertile field for reforms. In the London County Council and in the metropolitan boroughs of London, Labour found a solid footing for political party work.

Herbert Morrison, Lord President of the Council in the present Government, probably knows local government more thoroughly than any other national leader. As secretary of the London Labour party he helped lead the party in its fight for position and influence in the London County Council. When Labour won a majority there in 1934, he became leader of the council. In the second MacDonald government, as Minister of Transport, Morrison brought national authority to aid London in unifying its transportation. As Home Secretary in the Coalition Government during the war, he controlled the important functions of police, fire protection, and civilian defense for the nation. Prime Minister Attlee began his political career as mayor of the metropolitan borough of Stepney.¹⁰

Chuter Ede, the present Home Secretary, was for years a member of the Surrey County Council and an active member of its education committee. Lewis Silkin, Minister of Town and

⁹ Speeches at the meeting of the Association of Municipal Corporations at Eastbourne in 1946, reported in 54 *Municipal Journal* 1735 (October 4, 1946) and 55 *Municipal Journal* 397 (March 14, 1947).

¹⁰ C. R. Attlee also demonstrated his erudition in local government by his booklet *Borough Councils*, published in the Fabian Local Government Series in 1920, and revised in 1935 and 1946.

Country Planning, came to this post with a background as chairman of the London County Council committee on housing. Lord Latham, one of the government team in the House of Lords, is the leader of the council today. Emanuel Shinwell, Minister of Fuel, and Hector McNeil, the youthful Minister of State, both had active careers in the Glasgow town council. The late Ellen Wilkinson, Minister of Education, came to Parliament from the Manchester city council.

After the general election in 1945, the *Municipal Review* remarked upon the very high percentage of new Labour members of Parliament who were or had been recently municipal councilors. There is nothing in English law or custom to prevent a person from being an M.P. and a municipal councilor at the same time. From its background and sympathies, the Labour government would be expected to be friendly to local government.

England, unlike the United States, has not attempted to make local elections non-partisan by law. Labour has carried its party banner into most local elections that the party chose to contest. Until 1945, the party's greatest success was in the London metropolitan area and in a few industrial towns. County councils and the county district councils were either Conservative or were led by groups carrying no national party label. Those conditions are changing now. The Labour tide that swept its majority into the House of Commons produced a heavy gain for the party in municipal elections throughout the country in 1945, bringing Labour majorities to many boroughs for the first time.¹¹

While the staggered term system of electing municipal councilors tended to reduce the effect of such political upheavals, the swing to Labour continued in the municipal elections of 1946. The same trend appeared at the county council elections in November, 1945. Labour won a majority in eleven councils. To a large extent, then, the national Labour Government finds itself supported on the local front by party majorities who would look to the national leaders to help with local problems rather than embarrass local administrations.

V

Several questions appear to be important. In 1943, the national party organization went on record as favoring a sweeping revision of the structure of local government. Now that a large number of party members are councilors and mayors, will the party be less disposed to change the structure? The Government's program calls for nationalization of a number of industries. Does this affect local government directly or does it bring into the governmental field functions and organization that have been privately owned and controlled? Most of the nationalization of business thus far has involved privately owned undertakings. The projected nationalization of gas, electricity, transport, and dock undertakings will cut into the local government field, however. Municipal trading has developed extensively in those fields, often as a result of Labour party agitation. A second feature of the Government's nationalization program involves social services in which national planning and direction assume a large part, often with some local administration. In town planning, housing, hospital and clinic treatment, and education, the Government says that local authorities will have important responsibilities and opportunities. But organizations of local officials have raised the question: in the Government's planning, directing, and supervising of the local part in these programs may there not develop so many administrative orders, circulars, minutes, and directives that the programs may in reality become national?

Labour party platforms are not likely to be the sole basis for government policy at present, in spite of the strong Labour majority in the House of Commons. In matters affecting local government at least, Labour party leaders have proved not to be doctrinaire. Before 1938, Mr. Morrison was an outstanding champion of the local unit of government. Years of experience in the metropolitan borough of Hackney as well as in the London County Council acquainted him with the affairs of moderate size units as well as those of the very large units. In 1944, when requested to return the fire services to local government, Mr. Morrison said that he was then convinced that the fire forces could not be "returned" to all the units that originally gave them up. He re-

¹¹ See William A. Robson, "Post War Municipal Elections in Great Britain," 41 *American Political Science Review* 294-306 (April, 1947).

garded the administrative county and the county borough as the most efficient, and therefore the fire forces should be transferred to such units rather than be returned to the previous undertakers. Another example: a number of party leaders as well as Labour M.P.'s have written books in which they criticized the city of London and its guilds as strongholds of vested interests that must be swept away in economic and local government reforms. In 1946, Lord President of the Council Morrison said in a speech at the Guildhall of the city that the Government saw no reason to alter the city government. The city has a vigorous part to play in rebuilding London.

Other parties in Parliament have expressed themselves with regard to local government. In 1945, the Liberals reported a platform that was parallel to the White Paper that was laid before Parliament a few weeks later. Mr. Winston Churchill's statement in 1943 might be taken as the Conservative's *modus operandi* for national-local relations. On that occasion Mr. Churchill said his Government would consider no drastic step affecting local government without first consulting the associations of local authorities that speak for local government. Indeed the associations of local authorities have won for themselves an enviable standing in parliamentary respect. Ministries consult them as a matter of course when preparing legislation to submit to Parliament, as well as when drafting administrative rules and orders for the direction of local government. Parliament took notice of the associations' interest in legislation when it directed the Minister of Health to consult first with the associations of local authorities in preparing rules and instructions for the new Local Government Boundary Commission in 1946.

Out of this setting the following developments emerge. First, the dress-scale attention

being given to realigning local government boundaries has been supported by all elements. It is a necessary concomitant to the reconstruction program. Second, the Government has announced no comprehensive policy for reallocating functions among the local authorities, although it has made announcements with respect to particular functions. Indeed the various interested parties are not agreed upon a comprehensive reform. Nevertheless, many local functions are actually being reassigned to the larger and more powerful units, the administrative county and the county borough. Municipal boroughs, in particular, are losing functions to these units. It may be argued that the municipal boroughs have had left to them all the functions that they can carry successfully and finance adequately. Nevertheless the country and the county borough emerge steadily with the big, vital programs of local administration.

This is not a matter of party difference. Conservative Governments found it an acceptable pattern. The present Government is following a similar path. In carrying out the reform schemes for the Labour Government, such departments as the Ministry of Health, the Ministry of Town and Country Planning, and the Ministry of Education advance in a like direction. Associations of boroughs have protested this decline in their status, but Government policy continues to favor the larger units. Thus a reform of a limited sort is being worked out. Hints of a more thorough overhaul of the local government structure continue. In the debate on Wales, last November, Mr. Anuerin Bevan indicated that some type of regional organization still figures in high-level thinking. The new pattern for British local government is still in process of development.

Reviews of Books and Documents

Public Administration in Perspective

By Lincoln Gordon, Harvard University

REFLECTIONS ON PUBLIC ADMINISTRATION, by JOHN M. GAUS, University of Alabama Press, 1947. Pp. ix, 153. \$2.00.

THE study of public administration has expanded so rapidly during the last decade or two that one readily forgets the extreme youth of this discipline. Its growth is a healthy one, for its structure is rooted deeply in experience. Unlike those branches of learning which have sought to build their foundations from the top down—lowering them from philosophical balloons floating freely in space—the foundations of public administration are being raised from the subsoil upward. The discipline has been unusually fortunate in drawing its students from the ranks of practitioners as well as scholars, and above all in its large and growing roster of scholar-practitioners.

However sound the foundations, it must be acknowledged that the shape of the structure, present or to come, is by no means wholly clear. The literature of public administration reflects an intelligently clinical approach toward case experience and is full of enlightening insights. In a few respects, such as the attributes of the holy trinity of personnel management, budgeting, and planning, there are elements of an agreed body of doctrine. Nonetheless, taken as a whole, the literature exemplifies neither the qualities of a systematic social science nor a corpus of doctrine and method fully meeting the standards of genuine professional training.

The failure thus far to develop thoroughly crystallized patterns does not imply that the study of public administration is lacking in direction. On the contrary, there are a number of clear-cut major trends—trends which this *Review* has done much to foster. Perhaps the most significant is the increasing breadth of

scope of the discipline. The former almost exclusive emphasis on administrative management, particularly in the limited areas of organizational planning, budget-making, financial control, and personnel, has given way to a concern with all aspects of government in action. Exclusion of the legislature, the courts, and the military services from the field of study is now recognized not only as indefensibly arbitrary but also as an obstacle to complete understanding of governmental physiology. Greater attention is likewise being given to comparative administrative analysis, especially as among the various levels of American government and to a lesser extent as among national governments and even at the international level. Identities, parallels, and contrasts between public administration and private business administration are being explored. This trend toward greater breadth of scope also shows itself in the increasing attention given to the external relationships of government, both in the impact of politics and public opinion on administration and in the direct relations between administrators and their publics.

A second trend of note is the expanded consideration of informal organization and informal relationships alongside their formal counterparts. "Human relations" analysis on the lines pioneered by Elton Mayo constitutes one example; another is the application of techniques of systematic anthropology, as in Leighton's study of the Poston war relocation center. The emphasis on genuine professionalization of the public service and the attempt to analyze the concept of professionalization into its component elements also fall within this category.

Yet another significant trend, which finds its roots in the painstaking analysis of case ex-

perience, is the reexamination of legal and other conceptual shibboleths in the light of carefully observed action. One cardinal example is the entwining of "legislative" and "judicial," as well as "executive," elements in administration: the permeation with policy decisions of all but the most routine administrative actions; the function of administrative practice in reshaping policies "laid down" by the normal "legislative" or "policy-making" authority; the creation of administrative measures for providing the substantive benefits of the rule of law which were once thought to be the exclusive prerogative of the courts. Other examples can be found in the working relationships among various levels of government, in the manifold types of contact between administrators and legislators, in the interior and exterior politics of administrative principalities—all areas in which the facts of administrative life bear little resemblance to the traditional teachings of the constitutional law treatises or the political science textbooks.

Finally, and perhaps most heartening, the study of public administration is ceasing to be a domain reserved for political scientists. While their role is still predominant, the field is enlisting the eager attention of students trained in economics, law, social psychology, sociology, and anthropology, and above all of thoughtful men of experience not hampered by the label of any one of the all too parochially minded social studies.

However welcome these trends, it behooves us from time to time to give thought to the objectives of the study of public administration. Is it a new social science; if so, what are its scope, its methods, its relations to the older disciplines? Is it a field of vocational or professional training; if so, toward what type of position in the public service does it look and what are the elements which may give it a just claim to professional standing? It would be rash indeed to hope for definitive answers to such questions which would enlist general concurrence. But the further progress of the discipline would be enormously enhanced by a community of attitude toward them.

On the first question—whether public administration is a separate branch of the social sciences—it seems to me that the answer is clearly "No." It would be folly to seek to de-

fine a reserved area of study for a new academic profession, with neat fences to keep off intruders. Public administration is an applied study; its relationship to the social sciences should be akin to that between engineering and the basic natural sciences; and it should bear that relationship not only to political science but to all of the social studies. The term "pure administration" ought to be forever erased from our vocabularies. The distinguishing feature of public administration is not a particular scientific method but a particular area of application—an area best defined as "government in action." There is no more striking lesson to be drawn from administrative experience than the almost total absence of "purely" legal, "purely" economic, "purely" political, or "purely" technical problems and decisions. Certainly the most challenging issues have an uncanny habit of turning up on the borderlines of our traditional disciplines, of unfolding simultaneously a whole area of social and technical considerations. It is essential that the various disciplines be integrated in their application to this area, and we may expect that in the process of integration and application, public administration will develop its own concepts and generalizations just as they have been developed for engineering. But the immediate need lies more in bringing the several social sciences jointly to bear on our problems than in premature efforts to develop the outward indicia of an applied science.

This basic characteristic of public administration is brought into sharp relief by analyzing the complex of influences which come to bear on a public official in the process of decision-making. A convenient check list, which does not pretend to be exhaustive, includes ten factors which can be identified in virtually any administrative situation:

1. The general political philosophies and systems of belief within which the unit of government operates.
2. The legal framework, including constitutional law, legislation governing the particular activity, and the system of administrative law generally applicable to the particular unit of government.
3. The technical factors involved in the particular operation (over a very wide area these will be primarily economic factors).
4. The formal administrative organization, including the broad type of agency, the internal ar-

rangements of staff and line units, field and departmental units, etc., and the system of internal communications, reports, and methods of establishing authority and responsibility.

5. The methods of staff recruitment and personnel management.

6. The financial system, including sources of income, types of expenditure, methods of budgeting, and auditing and other financial controls.

7. The pattern of informal internal relationships, including the personalities involved.

8. The internal morale of the organization, influenced by the extent of sense of purpose and participation reaching down to the lower levels of the organization.

9. Formal external influences, including legislative supervision, judicial control, control through superior or coordinate units in the executive hierarchy (both staff and line), and advisory committees or other formally organized representatives of affected nongovernmental groups.

10. Informal external influences, including informal legislative and political pressures, organized interest groups operating directly on the administration, and general public relations.

The view of public administration as an applied study drawing on all the social sciences provides boundless opportunities for using their several methods in fruitful combination. In the all-important area of administration of economic affairs the tools of rigorous theoretical analysis of economics; the quantitative instruments of statistics; the careful use of terms and conceptual thinking of the lawyers; the political scientists' analysis of political institutions, political behavior, and pressure groups; the public opinion inquiries of the social psychologists; the individual psychologists' findings on nonrational, but nonetheless consistent, human behavior; the sociologists' studies of the interaction of organized groups; the anthropologists' understanding of informal organization and of human relations; the objectivity and perspective of the historians are all relevant. In many instances all are essential to full comprehension. In short, we need to have applied to the study of public administration the same catholicity of approach demonstrated by Gunnar Myrdal in his epic study of the American Negro.

The opportunities for advance along these lines seem particularly fruitful in the combined and simultaneous application of the closely related disciplines of economics, politics, and law

to specific problems of public policy and administration. By dint of care in terminology, rigorous logic, the application of mathematical techniques, and the leadership of some highly gifted thinkers, the economists have developed an impressive and potentially highly valuable theoretical structure. Many, perhaps a majority, of the brotherhood of economists, not always without sneers from their high priests, have devoted themselves to matters of public policy and have sought to build a bridge between theory and policy. But often the chasm between economic theory and reality fails to be completely bridged, either because of an insistence on considering "only the economic aspects" or because of an artificial separation of the "policy aspects" from the "administrative aspects" of a problem. In this latter fault, they are often aided and abetted by the professional students of public administration themselves.

In the real world, economic, political, legal, psychological, and technical "aspects" of problems are inextricably interwoven, and matters of "policy" and "administration" form, as Maitland said of history, a seamless web. The greatest promise for rapid advance in understanding and improving the instruments of public action lies in research programs combining scholars from several social science disciplines in a concerted attack on specific areas of "poladministration." In due course there might be developed a substantial body of public administration students who, like the engineers, would combine training in a number of these specialized disciplines with the richness of comprehension which comes from intensive application to particular fields of experience and action. Now and then a rare individual—a Thomas Jefferson, a John Stuart Mill, or a Gunnar Myrdal—appears with sufficient talent and a combination of interests and aptitudes to train himself in this fashion. But our present university programs do little either to direct the able student toward these objectives or to promote this type of understanding among the more numerous and less able.

If the study of public administration comes to be thus viewed on the academic side, the frequently posed dilemma of an alleged incompatibility between social study and professional training falls away of its own accord. For

at the college and graduate levels, the principal and crying need in the training of public administrators is to supplement the well established programs for various types of specialists with the training of administrative generalists. One can be sure that President Truman spoke from the heart in his June 17 address at Princeton when, in words which bear a striking resemblance to the views which Paul Appleby has frequently voiced in the pages of this journal, he dwelt on "the problem of effective administration within the Government, where matters of unprecedented magnitude and complexity confront the public servant." This passage of his speech may well be taken as a guidepost for higher level public administration training programs. It continues:

If our national policies are to succeed, they must be administered by officials with broad experience, mature outlook and sound judgment. There is, however, a critical shortage of such men—men who possess the capacity to deal with great affairs of state.

The Government has recruited from our academic institutions many members of its professional staffs—geologists, physicists, lawyers, economists and others with specialized training. . . . But we have been much less effective in obtaining persons with broad understanding and an aptitude for management. We need men who can turn a group of specialists into a working team and who can combine imagination and practicability with a sound public program. . . . Men trained for this kind of administrative and political leadership are rare indeed. . . . [The universities] should develop in their students the capacity for seeing and meeting social problems as a whole and for relating special knowledge to broad issues. They should study the needs of Government, and encourage men and women with exceptional interests and aptitudes along the necessary lines to enter the Government service.¹

These twin objectives of public administration as a field both for systematic study and for the professional training of generalist administrators fully complement one another. Moreover, they make possible a continual and fruitful interchange between the universities and the public service, in the form both of in-service training and of a flow back and forth between administrative positions and teaching posts. It is not suggested for a moment that

academic training alone, no matter how broad and how carefully adjusted to the objective, can produce "officials with broad experience, mature outlook and sound judgment." Academic ability and accomplishment are not even in all cases necessary, and are certainly not sufficient, conditions for the development of such capacities among administrators. But a properly designed training program can sensitize the student who possesses some degree of natural aptitude; it can give him quickly instruments of analysis and habits of thought which might take many years to develop in the service itself; and it can endow him with a perspective and breadth of vision in seeing forests as well as trees when he becomes immersed in the detail of day-to-day administrative life.

In defining the trends and pointing toward some, if not all, of the objectives sketched above, John M. Gaus's little book of *Reflections on Public Administration* is a significant milestone. The volume consists of five lectures delivered at the end of 1945 in the Southern Regional Training Program in Public Administration at the University of Alabama, supplemented by a sixth chapter on "A Theory of the Process of Government." The most notable aspect of the book is its attitude and tone; it is suffused with a view of administrative problems in their totality. This catholicity of approach grows readily from Gaus's concern with local and regional planning, from his intimate familiarity with the whole range of programs of the federal Department of Agriculture, from his first-hand acquaintance with a host of local, state, and federal activities, and from his keen historical sense, both for institutions and for ideas. So rich a background leaves room for only the slightest tinge of regret that Gaus does not also reflect somewhat more of the economists' approach as well.

There is scarcely a topic on the developing frontiers of the study of public administration on which Gaus does not shed penetrating light. He provides fresh and stimulating insights on legislative-administrative relationships; on the role of political parties in administration; on positive and purposive, as well as negative and restrictive, means of legislative, judicial, and executive control of administration; on the professionalization of administra-

¹ *New York Times*, June 18, 1947, p. 20.

tion; on staff planning in the broadest sense; on personnel management, budgeting, and planning; on the relationship between general staff and operating officials; on geographic and functional federalism; on problems of the participation and consent of the governed in the process of government; on education for public administration; on the nature of public opinion and the meaning of the "public interest." He brings a most satisfying balance and wisdom to his judgments, beautifully illustrated by his remarks on judicial review (pp. 103-5). And to all these he adds his particular emphasis on what he calls the "ecology" of administration—the shaping of administrative needs by the coercions of the environment. His attitude is summarized in a phrase toward the end: "... the conclusion that administration is intermingled with the entire process of government, and with the environment in which the people affected by the government exist" (pp. 124-5).

In Gaus's final chapter, which he rightly describes as a "true essay," he seeks to develop "A Theory of the Process of Government: Diagnosis, Policy, and Revision." He stresses the baffling position of the modern citizen expected to determine wise public policy in so complex a technical context that neither the problems nor the potential solutions can be widely comprehended, and suggests the need for, and some of the means by which, the lay citizen and the expert can be brought together in their joint solution. He describes "the problem of balancing powers sufficient to enable a community to deal with its common problems on the one hand, with measures which will prevent or limit the evil effects of the abuse of power by the community's representatives on the other" (p. 135), and indicates the role of the genuinely professional administrator in helping to

resolve this dilemma. He points to the problem of getting the professional contribution to policy making and planning "attached closely to the political leadership, so that they participate naturally in the policy process as trusted and indispensable aids to that leadership and not as erratic particles following their own whims or as rival claimants to public attention" (p. 142). Finally, he stresses the need for continual revision of policy and procedure and continual and systematic attention looking toward such revision. On each of these points he brings together in striking fashion the lessons of contemporary administrative experience with the history of central governments, especially in England, during the period when the feudal monarchy was giving way to the modern nation-state.

Yet it must be confessed that the essay hardly lives up to the promise of its title. There does not emerge from its brief compass what could justly be termed a coherent "theory of the process of government." There are, rather, certain elements which may at some time be woven into such a theory.

This is really all to the good. A philosophical structure will be appropriate to the study of public administration at the proper time, but the growth must continue from the ground up. It must not come from the top down. It is premature to expect aesthetically satisfying, rounded philosophies in this field; far too much groundwork remains to be done. It is wise to raise one's eyes to the stars from time to time, but in so rich a field as this there is also ample challenge in the patient building of generalizations from carefully tested experience. In this process a fundamental prerequisite, to which John M. Gaus has contributed so much, is the placing of public administration in its proper perspective.

The Lessons of War Administration

By David B. Truman, Williams College

THE UNITED STATES AT WAR; DEVELOPMENT AND ADMINISTRATION OF THE WAR PROGRAM BY THE FEDERAL GOVERNMENT. PREPARED UNDER THE AUSPICES OF THE COMMITTEE ON RECORDS OF WAR ADMINISTRATION BY THE WAR RECORDS SECTION, BUREAU OF THE BUDGET. Government Printing Office, 1946. Pp. xv, 555. \$1.00.

AMONG the many trends which have appeared in the study of public administration, one of the strongest in recent years has been an expansion of the range of behavior which the field is presumed to cover. This has involved including within the area of study relevant aspects of the environment within which administration must operate. It is also apparent that this change has included a growing awareness of the informal, uncharted aspects of the behavior of administrators. The tendency has been toward the inclusion of such behaviors within an administrative theory and away from a treatment of them as transgressions of the "principles" of administrative procedure or organization. As both a cause and a consequence of this sort of development, as well as a natural outgrowth of the ordinary techniques employed in administrative surveys, the methods of administrative research have shown a change of emphasis.

Early studies in public administration tended to rely heavily upon conclusions emerging from the analysis of various types of official documents. In part because it became apparent that many elements essential to understanding the administrative process were not, and perhaps could not be, recorded in such documents, an increasing effort has been made to supplement such researches by means of direct observation. In effect this has meant utilizing both participant and nonparticipant observers to record and analyze administrative events, rather than merely reconstructing acts and situations from available documents. This was one of the characteristic approaches of the Committee on Public Administration of the Social Science Research Council, notably in the researches of Arthur Macmahon and John

Gaus, to mention only two.¹ Somewhat similar researches at the present time are typified by the work of the Research Center for Group Dynamics at the Massachusetts Institute of Technology. It seems clear that significant future developments in the study of public administration will depend upon further effective research of this more inclusive character.

I

THE tremendous administrative events involved in a national effort of the scope of the late war present unique opportunities for the elaboration of administrative techniques and for stimulating our understanding of the administrative process. As it were by accentuating and highlighting the complexities of administration and the conflicts of interests within which it must operate, the events of war administration offer an opportunity to extend our knowledge of what might be called normal administrative operations. There are limitations upon the use of precise observational techniques in such crises, however, stemming from shortages in manpower and the priority placed on activities which contribute more directly to the task at hand. It is a tribute to the late Harold D. Smith that as the director of the President's principal staff establishment he recognized the desirability of establishing such projects on as complete a footing as possible and of making orderly records available to students in the quieter years of peace.

In the evolutionary pattern of the study of public administration, therefore, the materials emerging from the war include both efforts which may be said to involve the results of direct observation and documents from which reliable reconstructions can be sketched. Both sets of materials will undoubtedly prove valuable in proportion as the making of observations and the preservation of records were carried on as conscious efforts to lay up resources for the future.

¹ There are important problems in the conception of such undertakings, variations in the solution of which have affected the success of the projects sponsored by the Committee on Public Administration. Some of these problems will be mentioned below.

Whatever the limitations under which analyses of administration in World War II may suffer, they will be far less serious than those imposed by records of the years 1917-18. The reporting activities which paralleled the effort in World War I were completely inadequate, and records of the war administration on the civilian side were either incomplete or were so carelessly preserved that exploitation of them did not take place or occurred as a result of such accidents as the discovery of the records of the Creel Committee. The extent of this failure was further emphasized when, in the spring of 1940, the Bureau of the Budget attempted to explore and analyze our experiences in the earlier war for their usefulness in the developing defense program. Finding these materials hopelessly inadequate, the Bureau of the Budget took steps in 1941 to avoid a repetition of such inadequacy, retaining Pendleton Herring as a consultant on a project to record the experiences of the defense effort.

That the worst failures of record preservation would not be repeated had been assured as early as 1934 with the passage of legislation establishing the National Archives, an event which may well be regarded as a milestone in the development of self-consciousness concerning the study of national government activities. The efforts of the Bureau of the Budget were a further recognition that a little effort would protect the lessons of war administration from loss and would avoid complete reliance upon the autobiographical vagaries of major officers.

After Pearl Harbor the recording project of the Bureau of the Budget was considerably expanded, and in March, 1942, the director appointed a Committee on Records of War Administration to assist in its development. The personnel of this committee, which experienced some turnover in the course of the war, represented a group of professional and governmental organizations primarily interested in the proper execution of such an undertaking: The American Council of Learned Societies, the American Political Science Association, the American Society for Public Administration, the Social Science Research Council, the American Historical Association,

the National Archives, and the Library of Congress.

The Committee on Records of War Administration was expected to stimulate further the establishment of adequate historical units in the various agencies. It was also to sponsor a number of analyses while the war was being prosecuted. This effort received the strong support of the late President Roosevelt and of President Truman. In a letter of January 25, 1944, for example, the former stated, "Soon after the war each agency should have ready a good final report that will sum up both what was accomplished and how the job was done." Emphasizing also the importance of depositing full records with the National Archives, he observed, "There is much to be gained from our wartime experience for improving administration in the future. I feel sure that a careful recording of this experience not only will help to win the war but also will serve the needs of the postwar era."

Under the plan of the Committee on Records of War Administration, the war records section of the Bureau of the Budget, functioning as the committee's staff, carried on various historical projects loosely coordinated with the historical units in various agencies. In accordance with a deliberate policy of the committee, no effort was made to set a definite pattern for the activities of the agency units, but it has been reported that the committee's staff urged them to cover at least certain broad topics, including the origins of the basic authority for the agency, its over-all objectives, the integration of its functions, the operations of certain managerial functions (budget, personnel, planning, coordination), field organization, principal procedural problems, and external relations (with other agencies, the President, the Congress, the public, and foreign governments).

The product of the agency historical units is already of such volume as to prohibit more than a characterization within brief compass. The last publication of the Bureau of the Budget covering the history projects lists some 50 units, of which 24 have completed their work, 24 are still carrying on historical writing, and 2 have been eliminated before the projects reached a final stage.²

² The Civil Service Commission, which was forbidden

It is clear, of course, that these histories were not, and could not be, prepared primarily for the purposes of students of public administration. They range from rather conventional descriptions of administrative housekeeping to Baxter's Pulitzer Prize history of the Office of Scientific Research and Development. Many of the studies are concerned with specialized programs, and some of them seem to have been prepared more on the assumption of direct parallels in a future crisis than for distilling more general administrative lessons. While a large number of these documents have been or will be printed, a considerable proportion of them are in processed or typescript form. The latter will not be generally available and a number of them, even some produced by civilian agencies, are classified.

Some idea of the completeness with which certain of these projects have been executed is indicated by that of the War Production Board and its predecessor and successor agencies. Its output includes the organized records of the defense, war, and reconversion agencies, many of which have been organized and indexed for reference; four series of published reports totaling nearly 5,500 pages, which are available in depository libraries; and two series of unpublished operating reports from divisions and bureaus which are on deposit in the National Archives.

While these results are sufficient to justify the statement that World War II is the best documented national effort in the country's history, it seems likely that serious gaps will occur in various of the agencies' reports. These will include not only the Civil Service Commission and the Office of Lend-Lease Administration, for the reasons noted, but may also involve such agencies as the Reconstruction Finance Corporation, the Treasury Department, and the Department of Commerce, whose projects were late in getting started and may, therefore, suffer from unavailability of direct observations or postwar budgetary restrictions or both.

by Congress to continue its history work in fiscal 1948, and the Office of Lend-Lease Administration, whose historical work was liquidated while it was still largely incomplete. See Bureau of the Budget, "Federal Historical Reports: A Summary of Publications, Manuscripts and Plans," June 12, 1947, 50 pp. (processed).

Properly exploited, the narrative manuscripts, both published and unpublished, and the data available in the National Archives should provide an impressive stimulus to the systematic study of public administration. They should afford a number of opportunities for historical case studies both by graduate students and by more experienced researchers. Even though files are not complete, the records of correspondence, policy data, and records of alternative plans should, for example, throw effective light upon the decision process. The National Archives has begun to prepare guides to the wartime records and, especially as increasing numbers of records are declassified, these aids plus the exertions of the Archives staff should offer tempting opportunities.³

One such opportunity which should be noted particularly is that of broadening the scope of our study to include military administration and the relationships between civil and military organizations. For what appear to be largely arbitrary reasons, most general treatments of the field and most functional monographs have almost entirely omitted analysis and discussion of this area of the development and effectuation of public policy. If such exclusion were ever warranted, the new international position of the United States, the increasingly obvious interdependence of American domestic and foreign policy, and the resulting intermingling of civil and military administration make abandonment of this artificial boundary an imperative for the future. A beginning might well be made with an effort to treat comparatively the experiences of the War Department and Navy Department and various civilian war agencies on the basis of manuscripts and published documents prepared under the stimulus of the Committee on Records of War Administration.⁴

³To facilitate the exploitation of the materials it would undoubtedly be well for the Society and other interested organizations to systematize research plans sufficiently to make known the character and extent of their requirements to the Archives.

⁴For other discussions of the research opportunities in the war records, see "The Recording of World War II," 38 *American Political Science Review* 331-42 (April, 1944); Saul Nelson, "The Preservation of War Records," 36 *American Economic Review* 793-98 (May, 1946); Harold B. Rowe, "Use of Wartime Government Records in Economic Research," *ibid.*, 799-806.

II

THE *United States at War* stands as a capstone to the accomplishments of the Committee on Records of War Administration and its staff. Representing the committee's interest in the preparation of a general study outside of the war agencies themselves, this report is presented as a "broad analysis of wartime administration as a whole," designed to "provide a broad and reliable perspective on our entire war administration and background for the more specialized studies. . . ." Following a series of prefatory statements, the body of the report is organized generally along functional lines by broad time periods. The first four chapters deal with the defense period, the next five with approximately the first ten months of 1942; chapters ten through fourteen cover the remainder of the period of hostilities; and the last two are devoted to reconversion problems and "assaying the record," respectively. The volume includes three appendices, one of which gives a useful list of all the war agencies and the vital dates in their histories.

The report is presented as a group product, and, while eight men are assigned primary credit for it, the individual chapters are not identified as the work of particular authors. Principal emphasis is placed upon the problems associated with war production and tangent developments dealing with stabilization, transportation, manpower, and food. Among the fields deliberately left to more specialized reports are civilian defense, agency field operations, budget problems, and personnel, most of the rationing program, and the role of volunteers in war administration. Apparently on the assumption that major administrative interest inheres in the period during which the country's war machinery was being developed, most attention is given to those months and less to the early period of defense preparation and the later one of high-level production.

The volume stands as an impressive accomplishment despite the fact that it suffers from considerable unevenness and generally seems to lack an effective focus, of which more later. Though some of the chapters betray no conscious design beyond getting out a story, several of them are strikingly effective. Notable among the latter are the chapters on transportation, chapter seven on the early phases of

labor mobilization, the treatment of information problems in chapter eight, the discussion of stabilization in chapter nine, and that on food problems in chapter eleven. These are sufficient to make the publication noteworthy. The disappointment which compels criticism of other aspects of the volume does not limit the value of the more competent contributions.

One of the most serious criticisms which can be leveled at various parts of the study, but especially at chapter five, is the presence of an unpardonably naive antimilitary bias which at best suggests the authors' need of a straw man and at worst constitutes gross misrepresentation. The volume is concentrated upon civilian rather than military problems. As other reviewers have noted, however, this is no excuse for inaccuracy when dealing with points in the former upon which the latter impinge, as apparently is the case in chapter five.⁵ Nothing of importance is contributed to an understanding of the profoundly difficult problems of civil-military relations by disposing of them through allegations and allusions of dubious authenticity. It is unfortunate that a publication under such distinguished auspices cannot be relied upon for the adequate treatment of this problem.

As these comments suggest, one cannot go through the volume without feeling a measure of regret at a number of omissions and underemphases. One is tantalized by statements which merely hit a few high spots without providing additional data, as in references to the WPB's enforcement techniques (p. 125). Few will disagree with the observation (p. 132) that the staff work in British delegations in this country was of a very high order, but one will look in vain for a careful evaluation of the problems and achievements of such agencies on the American side. Further, in view of the attention given the establishment of the Executive Office of the President in 1939, one wonders at the absence of any general evaluation of the success of the Office for Emergency Management. Similarly, one finds no explicit attempt at a review of the tripartite type of organization used by the National War Labor Board. The absence of a discussion of the Civil Service

⁵ See Lincoln Gordon, "An Official Appraisal of the War Economy and Its Administration," 29 *Review of Economic Statistics* 183 (August, 1947).

Commission is particularly regrettable in view of the elimination of its own history project. The closing of this gap by a study under private auspices and a similar investigation of the type of organization typified by the local selective service boards should rank high on a research agenda.

Finally, it is regrettable that occasion was not taken in the last chapter, or in some other appropriate section of the study, to pull together the many threads of evidence concerning general administrative problems. For example, the report contains many bits of data on the various shapes taken by the problems of inter-agency coordination. But these are nowhere adequately drawn together. Chapter twelve nominally deals with these problems, but at a very superficial level, usually not above that represented by the statement (p. 379) that "after Pearl Harbor it became possible to take further steps in organization for coordination. . . ."

Prominent among other tempting lines of analysis suggested by the report is the matter of the adaptability of old-line agencies to the imperatives of a crisis situation. Particularly impressive are the materials concerning the Department of Agriculture, in which are presented an instructive picture of the organization's unregenerate attachment to the traditional fears of an agricultural surplus which lay behind the nearly catastrophic "bare shelf" policy, an effective discussion of the parity concept, and a forthright analysis of the entrenched resistance to a shift away from the excessive production of cotton. Whether any administrative devices could have been developed that could have tackled these issues and survived attack from the complex political interests with which they were surrounded is debatable. These materials, however, establish a strong presumption in favor of organizational arrangements and allocations of formal power designed to subordinate such maladaptive units. Such presumption is further strengthened by reflections on the Reconstruction Finance Corporation (pp. 405, 422), and on the Department of State (pp. 406-8, 417-19, 423-6). A further intensive analysis of this type of situation, building on the incisive materials of chapter eleven, would be well justified. Such an analysis might be especially useful in view of

its relevance to the evolving tasks of the President's Council of Economic Advisers, which presumably involve working closely with various established departments and agencies.

While some discounting is justified in view of the source of the present report, it is still clear that one of the major assets of the war administration was the Bureau of the Budget. Almost every page testifies to the fact that the problems of organizing a multitude of stubborn old agencies and bumptious new ones and of facilitating their effective meshing would have been nearly insurmountable without this agency. Apparent also is the significance of quiet and sympathetic leadership by a director who commanded the President's confidence. It is abundantly clear that had there not existed such an organization, with such intimate relations with the White House, necessity would have required its improvisation. Students of administration will watch interestedly in the years to come to learn whether such relationships can be institutionalized or whether they must depend largely on the accidents of personality.

Another line of speculation which is prompted by a perusal of the general report concerns the politico-administrative importance of the *ad hoc* "disinterested" committee as a catalyst or lubricant in critical situations. We have had studies of congressional investigations and of broad presidential commissions, such as President Hoover's Commission on Recent Social Trends, but we have not had any assessment of the role of special bodies whose functions grow out of concentrated public criticism and political near deadlocks. Take the following statement (p. 482): "As with other aspects of reconversion, the Baruch-Hancock report called the problems to the public's attention, formed a foundation for much of the work that was to be done, and supplied essential support in the controversies that were to come." Such an observation prompts a suggestion that a profitable study could be made—in terms of political and administrative pressures, the standing of members, and similar factors—of the committees which produced reports like those on rubber and on reconversion policies.

Finally, one is struck with the importance for students of administration, in and out of

the government, so to project their insights and their reliable prescriptions on problems of recruitment, planning, and other phases of mobilization that the period of preparation and conversion may be materially shortened in another crisis. While the committee's study presents no discussion of the administrative implications of the probability that in another such situation we shall have no advance warning, the political and administrative difficulties met with in the two years prior to Pearl Harbor constitute a challenge to the ingenuity of social scientists in general and of public administration students in particular. No mean preoccupation with minor housekeeping matters will be adequate. Even desirable and systematic investigation of the varieties and uniformities in administrative behavior may be insufficient, but the obligation to concentrate upon them is no less great.

These are only a few examples of the areas of study suggested by the report. Many others will readily occur to those perusing its pages and reading between its lines.

III

THE very heterogeneity of the committee's general report implies some special lessons. Obviously the volume is not addressed exclusively to any one specialized audience and, therefore, contains a good deal of information which students of administration might be tempted to omit. The variety of these data, however, gives substance to the refreshing statement in the opening sentences of the report that "problems of wartime administration are not simply problems of the mechanics and procedures of government" (p. 3).

Out of the vast array of information presented and alluded to in this study there emerges clearly the impression that any adequate theorizing or systematizing in the study of public administration must include within its structure the relevant aspects of the immediate and general environment in which public affairs are administered. As noted earlier in this essay, we have been witnessing a growing awareness that a "pure" theory of administration which ignores these forces will become "pure" or systematic at the sacrifice of fertility. This point of view, while expressed in the opening paragraphs of the report, is unfortunately

not consistently adhered to in the following pages. Note, for example, the statement (p. 77) that the development of a solution to the problems which produced the Supply Priorities and Allocations Board "required . . . the modification of proposals based particularly on administrative considerations by factors of political feasibility."⁶

But the materials of the study speak a less restricted language, as various pages on the evolution of the early production machinery testify. (See, for example, pp. 25-28, 40, 51, 52, 68, 73.) Or note the pages (especially 194, 196, 198) on the forging of a wage policy in the early months of the National War Labor Board. This impression also emerges sharply from the sections dealing with the food program, especially those on the abortive Parisius plan for unifying the field organization of the Department of Agriculture (pp. 342 ff.).

There are, however, serious hazards in the way of so catholic a view of the process of administration. Fundamentally all of these stem from weaknesses of conceptualization which reflect inadequate study design. Perhaps most notable among them is a tendency, one which is unfortunately characteristic of much of this report, to assume—albeit usually implicitly—that all arrangements which exist are natural or inevitable and as a result to reduce analysis to the level of apologia. One becomes impatient with specious and question-begging concepts such as those involved in recurrent exaltation of the virtues of "fluidity" in administrative organization. It is stated, for example (p. 44), that "the wisdom of maintaining a fluid administrative structure demonstrated itself as changes became necessary to meet new conditions." At a later point (p. 428) it is alleged that "the real threat to efficiency was careful blueprinting for a rigid organizational structure which would make change to meet new crises almost impossible." Such observations at best are truisms and at worst are misleading rationalizations of the status quo, as other comments (such as that on p. 430) will illustrate. Similar criticisms could be made concerning the emphasis on evolution in organizational patterns. This is overdone to a degree which suggests making a virtue of shortsight-

⁶ See also similar statements on pp. 78 and 95, among others.

edness (e.g., pp. 56, 372). (Note, however, that a more defensible statement of the same point is made in the first paragraph on p. 403.)

It may be such conceptual fuzziness which accounts for the absence of any adequate treatment of the over-pessimistic predictions in the fall of 1945 concerning the problems of the reconversion economy, which had such serious consequences for policy on price and materials control. It is otherwise hard to account for an assertion such as the following (p. 501): "By and large, the preparations [for peace] reflected the Nation's wishes; the difficulties that were encountered were to be ascribed more to the public's clearly expressed desire for maximum economic freedom as quickly as possible than to misjudgments or miscalculations on the part of those responsible."⁷

From the point of view of one interested in the systematic study of public administration, such weaknesses not only ill serve the lofty objectives stated by the late Harold Smith and by Pendleton Herring in their introductory letters, but also testify to a lack of focus in the volume as a whole, beyond such general objectives as merely recounting a story of policy developments. One need not quarrel with the precautionary observation that a final evaluation of the war administration will require the perspective of time in order to object that, if the study is to perform effectively its role as a stimulus to such definitive analysis, its conception and execution must at least involve raising the significant questions upon which such analysis must depend.⁸ One suspects that the volume attempts no real appraisal of the war administration at least in part because the study was done in the light of no explicit and consistent set of hypotheses.

The evidence of a lack of focus which results from the absence of conceptual clarity is clearly revealed in the disappointingly inadequate final chapter. It should not have been necessary to close the study with the weak device of a comparison of our war administration with that of our defeated opponents, a recourse which is doubly regrettable in view of the du-

bious validity of many of the statements concerning Germany and Japan. These are not offset by such hedging statements as the following (p. 504): "Careful technical analysis may well indicate that both of our enemies programmed and executed in certain areas in a manner superior to ours." Such superficial devices lead to allegations like that on p. 517, contradicted by the evidence of the report itself, that "the inadequacy of those [German] plans was reflected also in a lack of concern with the necessity of securing all possible production from the economy and *this in turn led to an unwillingness of special groups to relinquish advantageous positions to the common good.*" (Italics added. Cf. pp. 342-69.)

When an attempt at evaluation degenerates into the kind of vapid generality which characterizes the closing paragraphs of the report, it seems not uncharitable to inquire what the study as a whole has to say, except by inference, about the processes of public administration.

It is important to emphasize, however, that the weaknesses in conception and focus noted above are not unique in *The United States at War*, although they have seldom been demonstrated in a volume produced under such auspices. In this respect the report and the opportunity to exploit the other materials resulting from the activities of the Committee on Records of War Administration illustrate a fundamental lesson for students of public administration. The general objectives lying behind efforts to "capture and record" administrative activity are fundamentally sound. But the dangers which may beset such an effort, indicated by the shortcomings of this report and equally serious for future attempts to exploit the war archives, may be fatal if the researcher has no clear and consistent set of criteria on the basis of which he can determine what it is important to capture and record.

The development of adequate criteria for study of the administrative process is in large measure a problem of language, of conceptualization, because many of the existing concepts in administration are of an *a priori*, deductive character. Hence most of this needed conceptualization is yet to be done.

Part of the commendable broadening of the scope of administration to include the environmental and informal aspects of organization

⁷ Use of the term "public" in this loose fashion is itself an indication of superficial analysis.

⁸ It should be noted that the "stimulus" function might have been performed more successfully if the report had been somewhat better documented.

represents a revolt against the meaningless character of established concepts. The advantages to be gained from such a broadening of the formal field cannot be gained, however, by avoiding the difficult task of trying to con-

duct research in terms of explicitly formulated hypotheses and with well defined conceptual tools. Without these, research in administration will not advance beyond the level of folklore and anecdote.

Military Government—Fact and Fancy

By Malcolm S. MacLean, University of California

AMERICAN MILITARY GOVERNMENT IN GERMANY, by HAROLD ZINK, Macmillan Co., 1947. Pp. 272. \$4.00.

AMERICAN MILITARY GOVERNMENT: ITS ORGANIZATION AND POLICIES, by HAJO HOLBORN, Infantry Journal Press, 1947. Pp. vii, 243. \$3.50.

THESE two books are, I assume, the first of a long series of analyses of the problems, policies, and operations of military government in occupied areas during and after World War II. It is probable that there is no field of research in public administration more potentially fruitful, more teeming with valid lessons in the structure, organization, and control of peoples on local, state, national, and world fronts in political, economic, judicial, and social matters. In no other activity, not even in disaster relief after fire, flood, or earthquake, is it possible to apply so swiftly and intensely the laws and principles of sound administration either on so vast a scale or in such multiplicity and variety of detail. Military government runs the gamut of human affairs. It follows hard on the heels of battle. It finds a chaotic welter of dazed human beings of all ages; of animals; of smashed buildings; shattered communications; hospitals in rubble; empty court rooms; broken water lines; pocked roads; burned food warehouses; shelled churches; destroyed schools; pillaged libraries and looted galleries and museums. Out of this physical and human debris of war it must speedily bring order; establish law; get a government going; provide food, water, shelter, and medical care and carry off wastes; organize and supply labor to itself and the combat forces. All this it must do by indirection and decentrali-

zation and, as it rebuilds government, it must redesign it in the general pattern of democracy and prepare it for extended Allied civilian supervision during and after the deliberations of the peace-makers.

The preliminary sketches of the United States' effort to handle this vast and complex activity are set forth in the Zink and Holborn books. Chief value of Professor Holborn's volume lies in his publication, for the first time and in a single place, of the basic official documents on military government from the directive of the Combined Chiefs of Staff on the occupation of Sicily in May, 1943, to the Allied Commission agreement of June, 1946, on control machinery for Austria. These appendices, taking up slightly more than half of his pages, will serve as constant and ready reference on high policy in the field. His text, however, while worth a reading, has about it an air of fanciful unreality, of academic theory, of slippery-footed struggles with meaning. Obviously such writing was bound to be the product of a writer whose valuable services were limited to Washington and the policy-makers and preliminary planners and who never saw or worked with officers and men in a smashed and stinking town. Although Professor Holborn properly protects himself in part by assuring us that he writes a "story" and not a history, his story is full of flaws. Important chapters are missing or so sketchily drawn in a paragraph or two as to give wrong and skewed impressions, as in his treatment of the Pacific Islands and Japan. He sometimes indulges in unwarranted generalizations, prefacing them with such phrases as "It had *always* been American policy. . .", when such policies, as he later

shows, were still uncertain and sometimes unformulated. Even so it is well to have this text, since it reflects our American inexperience which led to delay, confusion, and conflict so that War, Navy, State, and Treasury departments and the White House never did work out, either among themselves or with Allied powers or subsidiary American war agencies, a smoothly operating organization for setting policy and getting it to field planning and operating outfits clearly and in time. Analysis of administrative pathology as revealed by Professor Holborn's book can give us some clues of the first magnitude to the improvement of high level group interaction.

Professor Zink's work has all the realism that Holborn's lacks. While restricting himself with clear definition to the occupation of Germany, he nevertheless brings out into sharper and more connected relief the manifold and kaleidoscopically changing functions and processes of military government in the policy rooms of Washington, the planning sections of London and Versailles, and the operations of field headquarters and detachments. He carries his readers through selection and training of officers at home in the War and Navy departments' schools of military government. He deals with overseas training at Shrivenham and other centers. He takes us into the heart of planning. He shows us enough field operations at local, city, county, and state levels to give the feel of the enormously complex job to be done and the men responsible for doing it. He pulls no punches in his treatment of personnel from top brass to GI. He names and pins incidents down with date and place. He pictures the wise, able, hard-working officer and the neurotic predatory sot, the valiant and the cowardly, the loafer and the one who drained all his powers in service. He illuminates personalities from General Patton to Robert Murphy with clear insight and courage and without muckraking. He traces with clarity and precision the complex relationships of the United States and her Allies, the Army and Navy, the staff and line. He follows the phases

of military government from initial assault to long after V-E Day and vividly describes the ever-shifting administrative organizational changes that followed veering strategies and unfirm policies. It is a masterly basic book for layman and scholar alike. It corrects impressions made by reporters on the trail of scandal and public relations propagandists for a favored "hero." It gives many an inkling of how our government can improve her planning and action both in war and peace.

With Professor Holborn's republication of the basic policy documents and Professor Zink's broad and fundamental treatment of the occupation of Germany, we have an excellent start on essential studies of American military government. We need much more if we are to squeeze the good out of this, our first massive attempt. We must have full treatment of the occupation of Japan; of the knotty business in Korea; of the Navy's effort in the conquered islands of the Pacific; of the variant problem in the Philippines; of the curious relations with the Australia-New Guinea Administrative Unit in the days following Guadalcanal. We must have special studies of military government liaison activities with such governments-in-exile as those of Holland, France, and Norway. The story of our American-British military government in Sicily and Italy is yet to be told in unified and solid fashion. And in many of these areas for future exploration there is a wealth of material to be worked up in each of the special activities such as political affairs, health and sanitation, feeding, police, law and courts, business and industry, fishing and agriculture, displaced persons, relief, restoration of schools and colleges, transportation and communications, the complex of fiscal and money matters and exchange, and cultural affairs such as fine arts and religion. It seems clear that research and full reporting of all aspects of our recent attempt at military government will give us much of the knowledge essential to learning to manage either a unified world or an atomic war.

Stimulating Local Government

By Lane W. Lancaster, University of Nebraska

STATE-LOCAL RELATIONS: REPORT OF THE COMMITTEE ON STATE-LOCAL RELATIONS, The Council of State Governments, 1946. Pp. vii, 228. \$3.50.

THIS report is an excellent illustration of the institutionalization of research which has taken place in the past generation. The isolated scholar who was long the type could in time have produced something like this study, but, when it appeared, its conclusions would have had little relevance to a world which does not stand still beyond the campus. Those of us whose lot is cast behind the ivy may as well recognize the fact that research carried on in the traditional fashion "is now being done much better, and in vastly larger quantities, by other agencies for which it has a definite cash-in-hand value as a part of the technique of running the business."¹

It does not detract from the impressiveness of this report to insist that the detachment of the free lance scholar must always remain the ideal of even corporate research; but there is an insistence about the problems here examined born of the concrete interest of the body under whose aegis the examination is made. Responsible politicians and administrators cannot afford to abide the judgment of history. They are paid to find, not perfect solutions or self-consistent "principles," but answers, however tentative, that give promise of "working." They do not live in ivory towers on the bounty of pious benefactors or indulgent taxpayers, but in state capitols, county courthouses, and city halls under the censorious eyes of bankers, realtors, chambers of commerce, utility managers, and plain voters.

All of this is not by any means to say that the report does any "trimming." On the contrary, it strikes this reviewer as an exceedingly able amalgam of the basic facts conditioning public administration in a significant area with a recognition of the permanent factors in

American politics and the persistent articles in the national credo.

The problem to which the report addresses itself may be briefly stated, although no brief statement can convey any realistic impression of its complexity. The functions of government on the state and local level have grown both more numerous and more technical without being accompanied by anything like comparable changes in the legal, financial, and administrative relationships between the two levels. No such facile formulas as those of state supervision, state supremacy, local home rule, separation of sources of revenue, and state aid, as these terms are patly discussed in the classroom, have any easy application to a situation as fluid and as enormously complex as is supplied by a nation of continental proportions and an infinite variety of wealth, traditions, and political and administrative habits.

The first element in the situation is the growing fiscal inadequacy of local units in comparison with the greater revenue-raising capacity of the state and national governments, although it is admittedly true that the financial superiority of the states is a relative matter, varying from state to state. The point to be emphasized here is that the legal and administrative changes which should accompany this altered status have almost nowhere been made. There has been no adequate recognition of the fact that most of the problems within a state are *state-local* problems. The state as a whole has an interest in seeing not only that statewide functions where the localities act as agents are effectively financed and performed, but also that everything is done that will increase local participation. In spite of this, there has been no significant overhauling of the system of financial grants to localities, no systematic exploring of state administrative supervision, and no important attempts to clarify the legal powers of local units.

The financial responsibility of the state governments toward their local units arises from their use of these units as their agents, from the widespread practice of state imposition of

¹ Rowland Egger, "Public Administration and Related Fields," in *The University Bureau of Public Administration* (Bureau of Public Administration, University of Alabama, 1946), p. 23.

mandatory expenditures upon localities, from the legal limits on local taxing and borrowing powers, and from the greater economic capacity of the states. Carefully used, a system of state grants may stabilize local revenue and avoid the violent fluctuations produced by economic depressions (p. 131). Moreover, far from undermining local democracy, state aid may be a means of strengthening it. In so far as state aid permits the efficient performance of services, it gives local governments greater significance and prestige among their residents. On the other hand, inadequate state support may lead either to local resort to inequitable forms of taxation or to the assumption of functions by the state government. In either of these cases, local democracy is weakened.

There are dangers in state aid, however, from a number of points of view. A too rigid specification as to the use of state funds may lessen rather than strengthen local freedom and discretion. The alleged danger of local extravagance in the use of funds not earmarked may be largely avoided if accompanied by a state administrative supervision which need not be state dictation but may be "primarily state service, state advice, and state cooperation" (pp. 52-53). Again, state aid, unless carefully used, may have the effect of perpetuating outmoded and uneconomic units of local government, whereas one of its most significant possibilities is that it can conceivably be employed to encourage a needed reorganization of local government by reducing the number of units (pp. 131, 203, 223).

Finally, although financially the states enjoy a great advantage over their local units, this is qualified by two considerations. In the first place, the states vary greatly in their economic capacities and this variation has a direct bearing upon their ability to aid in the support of local services. Second, this disparity of resources cannot be corrected on the local level; a satisfactory solution can be found only in "new and expanded financial programs stemming from the Federal government" (pp. 86, 137-8). Here is to be found the rationale of the federal-state-local system about which so much has been written in recent years, but which is even now only being created by one of those processes of that "fertile adaptation"

which has by imperceptible changes altered the federal system.² It is the contention of the present report that, since the continuing grants of the federal government to the states constitute an important factor in the states' ability to make grants to localities, steps should be taken to develop a long-range program of federal-state-local grants. This would provide "a continuing mechanism for the transfer of funds. The ease and speed with which transfers can be made through permanent administrative channels make it possible to increase or decrease grants in close conformity to the demands of the business cycle. *Ad hoc* grants directly to localities lack this important administrative readiness" (p. 138). An incidental but important result of such a device would be to enable local credit to be supported in times of stress by the higher levels of government (pp. 114-6).

Academic students have long favored state administrative supervision of local government as over against legislative prescription of powers and procedures. Actually, the bugaboo of "centralization" is no more involved in this type of supervision than in the familiar legislative control; perhaps the sporadic and spotty nature of its adoption to date is connected with an unreflecting fear of "bureaucracy." As a matter of fact, the question here is largely one of *what kind* of centralization since, as the report points out, "states now control local governments largely through 'an amazing assortment of constitutional and statutory regulations which often minutely restrict communities when they should be free and omit regulation when administrative guidance would be helpful'" (p. 12). The preference

² "It is increasingly unrealistic to conceive of a federal division of functions in terms of the assignment of subjects as wholes. Each has phases appropriate to central and to local attention. Federal constitutions which disregard this fact are brought into conformance with it in the end, although tardily and imperfectly, by subterfuge, indirection, and fertile adaptation." Arthur W. Macmahon, "Federation," *Encyclopaedia of the Social Sciences*, VI, 175. See also Roger H. Wells, *American Local Government* (McGraw-Hill Book Co., 1939), ch. V; Jane Perry Clark, *The Rise of a New Federalism*, (Columbia University Press, 1938). One of the most comprehensive recent studies of the fiscal relations of the three levels of government is *Federal, State, and Local Government Fiscal Relations*. Senate Document No. 69, 78th Cong., 1st sess. (1943).

for administrative supervision is based upon its greater flexibility and its more steady incidence, as contrasted with the traditional system which makes action dependent upon suits by aggrieved persons. This necessarily has the result of being spasmodic and of denying to local units the advantages of expert administration.

It is impossible to find fault with the recommendations of the report with respect to administrative supervision. The keynote is persuasion and cooperation as against coercion and control which, rightly or wrongly, have been used too often to describe such supervision. "State supervision should emphasize the attainment of high levels of performance in governmental activities; the achievement of high local personnel standards; the expansion of in-service and pre-service training programs; the provision of technical advice and assistance; and the use of cooperative techniques, generally" (p. 10). The states' responsibility for making such a system work successfully requires that they "avoid rigid legislative prescription of administrative activities; increase the caliber of their supervisory personnel; provide unified supervision within a given field; establish a single state agency concerned with the continuous study of state-local problems; and codify and simplify laws pertaining to local governments" (p. 10).

When the report remarks that the flow of power to central authorities rests in the states on an "elaborate legal edifice" it is being temperate indeed. The results in practice of Judge Dillon's rule have been a jungle of constitutional and statutory grants of power and restrictions on power, overlaid with the tortuous creepers of thousands of judicial decisions, the whole a never-never land whose prospect can please only lawyers and is the despair of students and administrators alike. Special charters, uniform charters, classification charters, optional charters, and home rule charters exist side by side in the same state, and in few cases do these terms really describe what actually goes on in the communities to which they are supposed to apply. This is, one supposes, simply another way of saying that we have reached the present complex legal situation by ignoring principle. It follows that we may es-

cape from it by adopting a few consistent principles in the future.

State-local legal relations vary so widely from state to state that no general recipe can be given for improving them. As a matter of fact, there have been few thoroughgoing studies of these relationships. Two valuable suggestions made by the report are (1) that the laws affecting local government be codified as a way of strengthening both state administrative agencies and local governments by settling uncertainties in the laws, and (2) that a state office be created for the continuous study of local affairs.³ The guiding principles suggested for reaching a desirable solution in this area would emphasize freeing legislatures from the burden of local legislation and endowing local units with more adequate discretionary powers. Specific proposals include a wider use of both the general charter system and constitutional home rule, prohibition of special charters accompanied by the grant of appropriately broad powers to localities, making the three standard types of city organization available to all cities irrespective of size, and the adopting of legislation designed both to clarify the powers of counties and to improve their organization.

Some of the most baffling problems in the whole field of government spring from the multiplicity of local units which exists in the United States. There are not only more than 150,000 such units; pyramiding of units is a characteristic of the governmental pattern. Since even an accurate count of these areas has been made only within very recent years and a full exploration of their significance is still only in process, it is natural that most of the proposals for dealing with the situation smell strongly of the lamp. About all that can safely be said is that most of these units (e.g., 66.7 per cent of all counties) are smaller than necessary as far as the convenience of their citizens is concerned, and that, on the basis of any criteria that can be suggested, the majority of them are uneconomic. The present excessive number of units (1) produces inequities in tax

³ Cf. John Stuart Mill's plea for "the greatest possible dissemination of power consistent with efficiency, but the greatest possible centralization of information and diffusion of it from the center."

burdens; (2) makes it difficult or impossible to utilize such modern techniques as centralized purchasing, budgeting, and scientific personnel management; (3) dissipates political responsibility and thwarts effective citizen control of local institutions; and (4) produces an unequal level of services at relatively high costs and forestalls community-wide action to meet community-wide problems (p. 195). Less tangible but fully as important is the frustration of popular control produced by the irrational distribution of governing power. Busy citizens can scarcely be expected to understand or influence a policy shared by numerous independent officials, or justly blamed for discouragement, resentment, and cynicism at a situation which is too complex to make sense. One wonders if the political apathy so common in hundreds of our localities is not connected with the inability of the voters even to understand a system which they are supposed to control. Our sympathies are bound to be with the citizen who gives the business up as a bad job, rather than with the evangelists who constantly urge him to attempt the impossible.

To conclude from all this, however, that there is an easily applied formula by which these ills may be cured would betray a complete misunderstanding of the nature of the mechanisms of liberty and authority in the United States. It is not too much to say that our constitutional and statutory arrangements have traditionally had as their object the prevention of the normal working of the majority principle. If Great Britain, in creating a sovereign legislature, has followed Locke, we have espoused Calhoun's theory of the concurrent majority. It would no doubt be impossible to demonstrate that the legislators who create mosquito-abatement and sanitary districts have read either Calhoun or Locke, but the record shows that it has always been easier to create a new special district than to confer additional powers on existing authorities. It is not fair to be merely cynical and say that a new district means only new jobs; actually the new area may seem a manageable unit of power when contrasted with a larger and more potent authority. It is easy to argue that a tiny school district (some of them are less than a

quarter of a square mile in area) cannot support an adequate school; but to the patrons the school, however inadequate, may be the sole remaining symbol of their power in local administration.

Local administration is indeed "something more than a matter of economics. Local governments are primary organs of democratic expression. The desires and the traditions of local citizens must have adequate expression, and this may involve acceptance of something less than the economic first choice in the process of reorganization" (p. 203). Factors of this sort are kept steadily in view throughout the report, even though the goal of structural change is clearly stated as (1) the establishment of one local government for one local area; (2) local governments large enough in terms of population to permit effective public services at low cost, and wealthy enough to support a substantial portion of these services; (3) governments that cover an entire integrated community. The state must assume responsibility for fostering changes in the direction of this goal by (1) easing legal impediments to integration; (2) making it difficult to establish inadequate units; (3) using state funds so as to encourage area changes; (4) providing for the gradual, rather than complete, equalization of taxes following integration; and, (5) utilizing adequate publicity programs. There is here no hint of state coercion; our old friend state sovereignty does not raise its head. On the contrary there is an honest awareness of the imponderables and a wholesome respect for the refractoriness of the problem which contrasts sharply with the sure-fire programs of impatient doctrinaires.

There is nothing shrill or hasty here, no expectation that the New Jerusalem will soon be inaugurated. Proper stress is laid upon the importance of filling out the picture by special studies in each state, and reliance is placed upon a developing state leadership as distinct from the demonstrated sterility of legal coercion. There is a sensible recognition of the fact that there is no single *best* course of action, but that needed improvements will come through the introduction of better administrative practices, wherever patient and enlightened state, federal, and local citizenship makes such practices possible. The further growth of national

power, which now seems inevitable, does not deprive the doings of state and local governments of an urgency which is certain to increase with the years. It is platitudinous but it hap-

pens to be true that national power rests at last on local efficiency; that efficiency can be increased by wider attention to studies of this sort.

Validity of Organizational Theories

By Robert A. Dahl, Yale University

ORGANIZATION OF INDUSTRY, by ALVIN BROWN, Prentice-Hall, Inc., 1947. Pp. 370. \$5.35.

IN READING Alvin Brown's *Organization of Industry*, one cannot help calling to mind Macaulay's criticism of James Mill, that although he claimed to formulate his principles of government from the evidence of fact, he wrote as though he was unaware that any actual governments had ever existed. Mr. Brown's book commences with a formidable listing of "the principles of organization," of which the first sets forth that "organization is a means to more effective concerted endeavor," and the last (the ninety-sixth) asserts that "whereas organizational principle is a science, the practice of organization is an art." The remaining 350 pages of the book are largely concerned with a deductive application of these principles to the field of industry.

Mr. Brown's approach raises several interesting questions, of which the most important are those of method and of relevance.

I

METHODOLOGY is a dull business, but as George Catlin pointed out twenty years ago, a lack of concern with method may help to account for the failure of some of the social sciences to achieve any real scientific formulation; he had politics in mind, of course, but perhaps the remark applies equally well to the science of organization.

In his preface, Mr. Brown has this to say of his method: "There is a difference between the approach to the subject adopted in this book and one sometimes used in which organization is studied in the light of its present employment in industry. As a record of what is, no fault can be found with the latter method. As a guide to what ought to be, however, it leaves much

to be desired. *The case method cannot rise above its own level.* If greater effectiveness be the object, the study must be grounded in principle." (Italics added.) If I understand the author correctly, he is here condemning the empirical method of testing hypotheses (principles), and asserting that there is some alternative method of demonstrating the validity of the principles employed in his analysis. What this alternative method is, he fails to make clear.

Unfortunately, as everyone today is painfully aware, the term science is not without its ambiguities. We speak of mathematics as a science, in the sense that, given certain postulates, certain conclusions can be demonstrated to follow ineluctably to the satisfaction of all, or at least to the satisfaction of all competent and rational critics. We also speak of bacteriology as a science, in the sense that its principles or laws are hypotheses confirmed, or in the process of being tested, by observation in the "real" world. In the first case the appeal is always to logical consistency; in the second case, however much deduction and inference may be employed, ultimately the hypothesis must be confirmed empirically. Now it is precisely his apparent rejection of the second method in favor of the first that leaves one confounded by Mr. Brown's approach; for one cannot avoid asking, "Where do the ninety-six principles come from?" (Mr. Brown no doubt would reply that they come from his earlier book, *Organization; A Formulation of Principle*, but this rejoinder will not, I fear, carry us far.) Are these intended to be hypotheses tested by experience, or do they in some mysterious way transcend the merely probable character of generalizations based on experience and achieve some absolute quality, like the Decalogue or the categorical imperative?

A look at some of these principles and their application throughout the book does not altogether clear up the mystery, for unless opacity on this subject leads me wholly astray, Mr. Brown sets forth and applies his principles on at least three different levels: in a few cases, as if they were moral imperatives; in some cases, as if they were empirical generalizations of what typically takes place; in most cases, as if they were rules asserting what one must do to achieve "more effective concerted endeavor."

For example, in speaking of the obligation that flows from the acceptance of a responsibility, Mr. Brown tells us: "Within the definition, the obligation must be conceived as unlimited. That is to say that one who assumes an obligation can set no limit to his devotion to its performance." The "science" of organization here carries us perilously close to a wholly ethical observation. In his discussion of the redelegation of responsibility in a corporation, on the other hand, Mr. Brown describes, as if these were typical events in the real world, how the stockholders first delegate responsibility to the board of directors, which in turn redelegates a large portion of its responsibility to a president, and so on down the real chain of command. If this is intended to be an hypothesis about activity in the real world, one can only raise the question whether delegation of responsibility really occurs typically in this fashion in the modern corporate world, or whether there is not, in actuality, a more complex interplay between leadership and the passivity of the majority of the stockholders. I do not wish to push this point, since the illustration may merely be intended as a kind of abstraction, like the state of nature so dear to political and moral philosophers in the seventeenth and eighteenth centuries; even the state of nature, it may be conceded, has its methodological usefulness, although its place is perhaps not in a scientific treatise on the organization of industry.

Finally, there are the numerous instances in which Mr. Brown seems to be saying, "If you want to achieve an effective organization, this is what you must do." But precisely why one must do many of the things Mr. Brown sets forth is never demonstrated, beyond a circular appeal that it is in the logic of the principles themselves.

I am not contending here that it is invalid to make an assumption, to create a hypothesis, and to follow out its implications deductively to see whither it will lead; I am merely arguing that outside fields like mathematics and pure logic the validity of the hypothesis must ultimately be corroborated by an appeal to concrete observable events. If sheer logical beauty were enough, then we might better return to a study of Fourier and his marvelously contrived *phalanstères*, which had everything in their favor except the possibility of working in a world of living people.

This is not to pass judgment on the validity of the principles or their application. Whether a study of *Organization of Industry* will enable a business executive to create a more "effective" organization (within the limit of his purposes), I do not pretend to know. The only way one could decide on the validity of these and all other organizational theories is by testing them in the world of reality; which is to say, by the very method the author seems to reject.

II

FROM the point of view of anyone who believes that a major problem of our time is the organization of industry, in the human rather than in the technical sense, this volume has an even more serious weakness. Mr. Brown cannot be criticized for not writing a book he did not set out to write; yet one cannot help wondering whether any study of the principles of organization of industry can prove useful that ignores some of the dynamic forces of our era, forces that may conceivably alter here, as elsewhere in the world, many of the premises Mr. Brown seems to accept as embedded in the structure of nature itself.

Two events must inevitably intrude themselves on any consideration of industrial organization. One is a change in *power* relationships. The other, of whose meaning and importance we can be much less certain, is a change in *loyalties*. It needs no demonstration that as a simple question of power the day is decisively past, at least in a free country, when organizational theory can proceed on the assumption that the work force can easily be adapted to orthodox organizational needs. For good or ill, the power relationship between employer and employee has been fundamentally altered;

and it is at least open to question whether the organization of industry can long escape the impact of that change. It is perhaps not too much to suggest that if a creative process of organization does not thrust out new forms better adapted to the new power relationship, hope of achieving a "more effective concerted endeavor" in the industrial process is built on sand.

In addition, there is the immeasurable factor of loyalties, which to outward appearances at least are, and no doubt for some decades have been, in process of great change. In England, in France, in Germany, indeed throughout most of the industrialized world, the working population has evidently lost whatever tenuous loyalties it may once have had to the system of industrial organization by which it was originally spawned. Whether the United States can avoid this conclusion is doubtless at least partly dependent on the creation of industrial forms that provide a better psychological integration of the worker into the industrial process. It is perhaps no exaggeration to say that if these new forms are not created, the dismal alternatives are economic disintegration and the coercive state.

Mr. Brown detaches his study of the principles of industrial organization from purpose with a blithe disregard of the fact that purpose must fundamentally shape organization. "Every industrial enterprise," he concedes, "has a purpose; it may, of course, have many. This purpose may be defined in various ways. The purpose of the usual enterprise may be said to be to earn a profit for its owners. It may as readily be said to be to make a product, from the sale of which a profit is the anticipated consequence. It may be stated more broadly as an intention to serve, for which service a profit is expected. *With these matters we are not here concerned, except to realize that there is a purpose.*" (Italics added.) But what if someone were to suggest that one of the purposes of

industrial organization might be to enlist the loyalties and increase the psychic income of the employees? How can organization be perfected without a consideration of whether these are, after all, among the objectives to be abetted by organization?

In Berlin, according to press reports, trade union leaders are advocating representation in any industries that may be nationalized. In Vienna, social democrats have revived Otto Bauer's ideas of interest group representation in the operation of industry. In taking over the coal mines of the North and in nationalizing the Renault plants, the French have made provision in the organization plan for worker consultation. In Left Catholic thinking throughout Europe, concepts of a more democratic corporatism are far from dead. At Southport, as I write, British trade unionists at the Trades Union Congress are renewing their traditional demand for greater worker participation in the control of industry. Even in the United States during the crisis of war, the institution of labor-management committees, wherever these were anything more than window dressing for management, seemed to tap the latent and often frustrated interest of the worker in the industrial process. I am not arguing that any of these organizational schemes are either good or bad solutions to the problem of providing a psychological nexus between the modern worker and industrial production. I merely suggest that any volume on organization of industry written in 1947 that does not take this problem into account has little more relevance to the modern world than does contemplation of the ideal and nonexistent communities of Fourier. I cannot share Mr. Brown's faith in the scientific validity of his principles. It is not unlikely that many among them will prove to be merely an integral part of the ephemeral world of Soames Forsyte and George Babbitt, and will vanish with it.

Housing Comes of Age

By William L. C. Wheaton, Harvard University

THE FUTURE OF HOUSING, by CHARLES ABRAMS,
Harper & Brothers, 1946. Pp. vii, 428. \$5.00.

I

WITHIN the short space of fifteen years, housing has emerged as a major area of public responsibility in the United States. In successive legislative enactments of the depression, recovery, war, and reconversion years, the Congress authorized permanent and temporary programs which have eventually involved the federal government in housing to the extent of more than \$12 billion. Each of these programs was devised and adopted to achieve some specific, segmental, and often emergency objective. Piecemeal legislation, uncoordinated administration, and emergency motivation went hand in hand as the characteristic features of this period of development. Yet in spite of the emergency nature of many of the original undertakings the permanence of governmental concern with housing has become widely accepted.

With the establishment of the permanent Housing and Home Finance Agency, we are moving out of the period of experimentation and emergency action into one of consolidation and critical evaluation of the experiences of the last decade and a half that looks toward a settlement of present differences over the nature and content of the permanent housing programs of government. Charles Abrams' comprehensive review and analysis of our recent housing experience comes, therefore, at a critical juncture in the development of housing policy.

Prior to 1930, there was almost no housing literature in the United States. Housing received some attention as a phase of public health and social reform campaigns and in technical and business publications. The laissez-faire spirit of the time and the lack of a comprehensive and organized body of thought about housing were reflected in President Hoover's Conference on Home Building and Home Ownership in 1932. The report of the conference symbolizes the end of this era in housing; it consists of a mass of useful information, a roster of problems, and no integrated constructive program. Within a few months, a bank

crisis and mortgage collapse had precipitated government action which the conference never anticipated.

The lack of any organized body of thought about these new problems is reflected in the housing literature of the middle thirties. Edith Elmer Wood and Catherine Bauer pointed up the slum housing problem and tried to focus attention on the efforts which European countries were making, through public housing, to eradicate slums and to provide decent housing for the lower income groups. In the works of Albert F. Bemis and Clarence H. Perry and later the Temporary National Economic Committee certain technical and economic questions were opened up for discussion and analysis. In the broader field of city planning, housing received attention in the writings and researches of Thomas Adams, Mabel Walker, and Lewis Mumford. The number of special studies and publications increased rapidly. Those of the U. S. Department of Commerce, the Federal Housing Administration, the National Resources Planning Board, and the Committee on the Hygiene of Housing deserve special mention. All emphasized particular aspects of the housing problem, widened public understanding of the many facets and implications of housing, and popularized the issue of housing. It is significant that none of these studies attempted a comprehensive analysis of housing in all of its aspects. Nevertheless, these pioneering works contributed to the ferment in American thought and to the development of public policies and programs, many of an experimental nature, which flourished and grew in the middle and late thirties.

Just as the literature during this period reflected particular interests and segmental approaches to housing, the actions of the Congress and the operations of federal and local agencies were partial and disconnected. The Federal Home Loan Bank Board was created in 1932 to salvage mortgage lending institutions which were then approaching a condition of bankruptcy throughout the nation. Later, with the banking crisis, the Home Owners' Loan Corporation and the Federal Savings and Loan

Insurance Corporation were established to take over the frozen assets of lending institutions, to end the demoralizing wave of foreclosures, and to reestablish depositor confidence. After the disastrous tide of deflation had been stopped, the Federal Housing Administration was created to reform mortgage lending practices and stimulate recovery. In further efforts to provide employment the government undertook direct construction of housing through the Public Works Administration and other agencies; and in 1937 the United States Housing Authority was created to provide federal subsidies to local public agencies to clear slums and provide housing for families of low income.

As we entered the defense period, with a rapidly increasing demand for housing in connection with defense and war production, a number of new forms of permanent and temporary aids to housing were authorized. It was then that the provision of housing became a dominant objective of public policy and that serious efforts developed to coordinate the housing programs administratively, first through the Defense Housing Coordinator, and later through establishment by executive order of the National Housing Agency. During the war years while all national efforts were being concentrated on production for victory the idea of an integrated housing policy and of a comprehensive approach to housing problems matured and developed. Here, as abroad, the vision of a better postwar world served to inspire men to the tasks at hand.

Thus it is only within the last few years that concentrated attention has been given to the problem of a comprehensive housing policy. This culmination of a decade of evolution in our thinking has found expression in a number of books and publications. Outstanding among these are the Twentieth Century Fund's report, *American Housing*, the testimony before the Senate Subcommittee on Housing and Urban Redevelopment during 1944 and 1945 (the Taft Committee hearings), and the 1946 hearings of the Senate Banking and Currency Committee on S. 1592.

The Future of Housing is the most challenging comprehensive work on the housing problem to appear to date. The author undertakes a complete analysis of the operation of the housing industry from the development

of land through the processes of building, financing, and sale, to ultimate ownership or tenancy. He describes the methods of operation of different segments of the industry and the roles of the builders, lenders, materials dealers, brokers, labor, and government in the housing process. Most of the key problems of the industry are analyzed in some detail: materials distribution, monopoly and restrictive practices, labor supply, land assembly, the organization, size, and financing of builder operations, legal complexities, profit layering, cyclical fluctuations. Finally, the development of government programs of aid to housing is traced and their influence upon the housing economy is described.

Abrams' analysis is sometimes couched in language more suggestive of the prosecuting attorney than of an objective study in the social sciences. *The Future of Housing* is not a book calculated to leave the reader on dead center; it is a tract for the times. Those who want a vigorous program of public action to meet our housing needs will find Abrams' analysis incisive and his proposals a challenge to their preconceived notions. Others may find his conclusions disturbing, but none will find them dull.

The persistent theme of *The Future of Housing* is its analysis of the problems of private enterprise in the housing field. Abrams recognizes that "free private enterprise" can operate only where there is a reasonable prospect of profit. At the same time, the structure and methods of the housing industry and the economic and social environment within which it operates are such that it has repeatedly turned to the government for assistance of a direct or indirect nature. Although this assistance has been forthcoming in order to provide the public with housing, Abrams argues, often it has served only to bolster the profits or reduce the risks of the industry. He concludes that there are substantial areas in which private industry cannot reasonably be expected to produce an adequate supply of housing and that we must look to a greater degree of public intervention.

The treatment of the various government aids to housing is critical and sometimes ignores the climate in which these programs developed. The real estate lobby also has long

been familiar with Charles Abrams' proclivity for polemics. Throughout, however, housing is treated as a study in political economy, emphasizing the political implications of various policies and their impact upon the economic fortunes of affected interest groups. Sophisticates in administration may find the proposals for organization of federal activities naive, but this is an exception in what is otherwise a work of unusual realism.

Abrams' analysis of the problems of the industry is excellent. He sees the creative power of private initiative, the conditions essential for its success, and its limitations under present circumstances. His proposals, which run to an extension of the area of public initiative, are offered so broadly that they cannot be analyzed in detail. The importance of Abrams' book stems from the fact that it is the first comprehensive effort to analyze the fundamental premises upon which our present housing program is based and to suggest new approaches based on other premises. The fundamental questions which Abrams raises are: Can private enterprise solve our housing problems? What is the appropriate role of government in the housing economy? How are housing functions to be administered? How do they relate to the democratic process? In raising these questions, *The Future of Housing* marks both the end and the beginning of an era in housing thought.

II

WHAT role can private enterprise play in providing housing for the American people? What is the appropriate role of government in our housing economy? For many decades public activities have had an important role in the housing economy. Local public services such as schools, streets, and utilities are indispensable to housing. Building codes, zoning ordinances, and the property tax exercise a decisive influence on the location, cost, and character of housing. In recent years housing has become more completely a mixed economy of private and public enterprise with government credit, mortgage and deposit insurance, and direct and indirect subsidies providing indispensable elements of the system. This public participation has not only been accepted

by industry but is demanded by spokesmen for industry in ever-increasing degrees even while they declaim against government interference in other areas. In some instances government has assumed a large part of the function of risk-taking which is at the core of the enterprise system.

The motivations behind these extensions of public activity have been mixed. In part these programs were intended to preserve and improve the existing system of building, lending, and brokerage institutions; in part they were directed toward improving the housing conditions of the people. They arose from a conviction that through such public aid private industry could be enabled to serve the housing needs of the public. Indeed, throughout the period of government expansion, every responsible housing advocate has insisted that private enterprise should continue to bear primary responsibility for the solution of housing needs and that the role of government was merely to assist industry and to supplement the efforts of the private economy in areas where it clearly could not function. Yet in spite of this universal conviction and the extensive aids of government, private effort does not appear to be meeting either its own or public expectations. For almost a generation one emergency or another has been blamed for the failure to meet these expectations and has provided convenient reasons for postponing a sober analysis of the housing economy and the adoption of appropriate remedies.

One school of thought, or, more accurately, of propaganda, contends that free private enterprise can solve our housing problems if only the socialistic regulations and competition of government are eliminated. Actually this group demands that the government assume even greater risks through insurance and other forms of financial aid without the controls which would channel the housing thus aided to those who need it most or in other ways protect the public interest. This program amounts to little more than public aid for unbridled profit taking, unsound loans, and high prices. It persistently ignores the fact that the existing industry can provide housing at prices that only a fraction of the population can pay, and that for this reason the volume

of residential construction that can be built and sold at a profit has never been either high enough or sustained enough to provide even decent second hand housing for a large share of the people. It is a philosophy of boom and bust with government assuming the losses, and is a remarkable tribute to the shortness of men's memories, for many of the same propagandists were petitioning for government aid to save them from utter bankruptcy after the excesses of the 1920's had come home to roost.

The sponsors and supporters of the Taft-Ellender-Wagner bill take the position that private enterprise eventually can meet the largest part of our housing needs if its efforts are supported by a well rounded program of government assistance short of outright subsidies. A limited amount of public housing will be necessary to meet the needs of those that private industry cannot serve. The bill proposes additional mortgage insurance inducements to encourage and aid builders and lenders in meeting the market for moderately priced homes. It seeks to improve financial aids to rental housing through mortgage insurance; mutual, cooperative, and limited dividend housing; and the yield insurance plan of encouraging investment housing. The bill would authorize a comprehensive program of technical and economic research to accelerate the adoption of new and more economical methods and materials of construction and to provide statistical and other aids to better economic planning by industry. An initial program of urban redevelopment is authorized through subsidies for the acquisition and clearance of slums and blighted areas. Finally, a modest extension of the public housing program for low-income families is authorized. Although the Taft-Ellender-Wagner bill has been attacked by some interests as an extreme and socialistic measure, its terms are designed to expand the market for private housing, to encourage a gradual evolution of the housing industry to enable it to meet a larger share of housing needs, and to limit public housing to areas where it will not compete with private housing.

The Taft-Ellender-Wagner bill is probably the most conservative plan which can offer any promise of meeting the housing needs of all of the people. There have been other propos-

als for more substantial changes in the organization and functioning of the industry, for changes in tax policies to induce a considerable expansion in large-scale investment housing, and for various forms of public aids to put housing on a mass production basis. In this connection, the recurring dream of a technical revolution in housing production methods which would result in radical reductions in housing costs should be mentioned. This avenue of approach deserves more serious exploration and support than it has received to date, although it should not be made the excuse for inaction on other fronts. It is strange indeed that some of the most vigorous spokesmen of private-enterprise opposition to housing legislation are almost equally opposed to the efforts of other enterprisers to achieve progress in this direction.

One of the most decisive problems in housing is the reciprocal relationship between residential construction and the business cycle. In periods of depression when idle resources abound, the market for new housing virtually disappears. With prosperity, demand accelerates in geometric ratio to increases in production, resources are quickly strained to the utmost, and inflationary forces begin to lay the groundwork for recession. Our present problems of inflation, high costs, and materials and labor shortages are not unique or emergency questions but merely a phase of the continuing problem of full utilization of our material and human resources. The Taft-Ellender-Wagner bill takes cognizance of the problem of the building cycle but does not come to grips with the questions of inflation, deflation, and housing's role in the stabilization of economic activity. Can we reasonably expect private enterprise to make its maximum contribution under the recurrent pattern of boom and bust?

Various forms of public and quasi-public housing are an ever-present alternative to these more conservative programs of reform and supplementation of private enterprise. The current housing shortage has produced a substantial number of state and local programs involving varying degrees of public initiative or ownership. As we move away from the excessive preoccupation with national housing programs and policies of recent years, more attention may be given to the development of

non-subsidized local public housing. It may well be that to the degree that the real estate lobby is successful in blocking more conservative proposals to make housing available to middle-income families and to provide subsidized and noncompetitive housing for those of low income, and to the degree that private enterprise fails to measure up to its promises, we shall see a further extension of public initiative.

In housing as in many other fields we have undertaken to supplement the private economy with varying degrees of public initiative and aid. The implications of these developments are only beginning to be felt, and as we move forward into new fields and methods and assimilate the old, the problems involved will require careful exploration. The effects upon the housing market of a sustained high level of production, the influences of mobility and urban dispersion, the possibilities for meeting the desperate housing needs of minority groups, and many other questions relating to the ability and willingness of people to pay for or invest in housing are only a few of the problems which must be studied.

The problems of the mixed economy in housing will be no less complex and no less difficult than those which we have experienced in the past. They will not be solved by name calling, propaganda, or appeals to symbols, but by realistic analysis and sober public discussion and decision. To get stable employment, stable prices, and a reasonable volume of house production we shall need more constructive economic and political statesmanship than is portrayed in the sponsorship of reduced taxes, abolition of credit controls, and encouragement of 100 per cent loans in times of inflationary pressure.

III

HOUSING has proved to be a fertile field for developments in public administration because of the "mixed" character of the economic functions involved. The federal agencies have utilized a wide range of departmental and corporate forms of organization, of degrees of centralization or decentralization, of the use of local public or private agencies to perform functions, and of degrees of con-

trol exercised. Housing's present challenges to public administration are numerous.

The first of these administrative problems is that of the relationships between government and business. All of the permanent programs of aid to housing depend upon the voluntary participation of industry. If the "price" is not right or if the degree of control exercised becomes too great in relation to the benefits received, business may withdraw from the partnership with government upon which the programs depend. Should the regulations become too exacting, the standards too high, the fees too large, business may move to other areas for financial or other help. The housing agencies cannot compel private industry to participate in programs to which it objects. Laws, orders, regulations, and policies are mere barking at the moon unless they are based upon a realistic understanding of the motivations of private business and are accurately calculated to produce the desired voluntary participation.

Furthermore, the government is limited by a realization that unsound policies may be not merely futile but may have harmful repercussions upon the private economy. To the small businessman, the cost of learning what his rights are may mean the difference between success and failure. Under these circumstances the differences between advice and command become small indeed, and the businessman's reaction may as often be withdrawal from the field as it is subservience to a misunderstood authority or insistence upon unknown rights.

These considerations emphasize the importance of relationships with business and of staff work in housing administration. A large measure of final responsibility for decisions affecting private business must be delegated to the field, where face to face relationships are possible. The operating staff must have a thorough understanding of the public purposes involved and discretion to modify or adjust the effect of those purposes in particular transactions so that the cumulative result accomplishes the public purpose.

If there is to be a clear public and congressional understanding of the issues, and if the necessary administrative decisions are to be made wisely and soundly, staff services of a high order will be needed. Housing agencies

will require more data and data of a quality not now available on market conditions, price trends, building volume and costs, supplies of materials and labor, and the condition and attitudes of financial institutions. One of the major problems in the field is the development of statistical and economic information which both business and government can use to provide a sounder basis for operating decisions. The need for staff services and economic understanding of a high order will be intensified in helping to give effect to the provision of the Employment Act of 1946.

The coordination of the several federal housing agencies is a closely related problem. The existing agencies in part reflect differences of groups served, in part differences of method and purpose. Industry opposition to the President's efforts to establish an over-all housing agency arose in part because the mere existence of such an agency constitutes a recognition of the social responsibilities of the industry for meeting housing needs. The industry would naturally prefer to be regarded as merely "the mortgage business," "institutions for savings," or the construction industry, in which positions social pressures upon it would be minimized. Industry opposition has stemmed also from a recognition of the intense competition between different classes of lending institutions and between builder, lender, producer, labor, and consumer interests, and from industry's calculations of the relative advantages to it of having these conflicts resolved or not resolved by the Congress or the Executive. These are merely the most important of the influences determining the nature and scope of the permanent housing agency. The questions of providing purely administrative controls over three extra agencies are frequently overshadowed by the implications of substantive policy coordination.

The development of administrative relationships between the federal government and state and local governments on housing matters is a matter of growing urgency. Probably more than three-fourths of new housing construction is carried forward with federal support of some kind. The influence of federal housing policies and programs upon the structure, growth, and the economic health of American cities is therefore large. Yet it is

only in the public housing field that direct machinery for federal-local government cooperation has been created.

The local housing authorities, established during the last decade to administer the public housing program, were among the most significant developments in local government administration of the period. Although the independent board form of organization was an "escape mechanism" from the problems of local administration and local politics, it provided means for vesting responsibility for public housing in a local government agency, and achieved, with federal supervision, a high quality of local administration. The uniformly low rate of interest which local authority bonds have secured on the national bond markets is ample evidence that cooperation between federal and local agencies can win the recognition and confidence of the business world. Why should it not be possible, then, to devolve upon local agencies administrative responsibilities for federal programs relating to private housing which also require a quality of administration that will maintain the confidence of the business community?

It is not surprising that cooperation between the several levels of government on private housing programs has been rare, even though private housing is overwhelmingly more important than public housing. The deep rooted problems of local government areas are a major impediment to such cooperation. The housing market is no respecter of local government boundaries. Federal agencies are bound to evaluate the soundness of present and future markets in terms of the economic realities of metropolitan districts. Local machinery for dealing with such areas is largely non-existent. Nevertheless, if our cities are rotting at the core the federal government will be holding mortgages on the rot, if they are dispersing in an amorphous and uneconomic pattern it is with federal underwriting, and if the result is an urban structure that cannot finance its own essential services federal subsidies will be sought to meet the need.

Local communities face expanding opportunities to control and guide their own destinies as they assume a more active role in housing. If local governments are to accept the wider degree of responsibility for housing, pri-

vate and public, implied by the scope of federal programs, appropriate local agencies must be created and related to the central structure of municipal government. No Draconian medicine such as a further expansion of federal power will substitute for the heroic measures needed in state and local government. Local planning agencies, capable of carrying on local market analysis programs and of developing sound and publicly accepted plans for metropolitan regions, would be in a strong position to guide and influence housing programs even though they were wholly lacking in powers of control. When these are available, local governments may be able to participate much more fully in the planning and administration of all housing programs.

IV

FINALLY, the future of housing in the United States is a political issue. The public increasingly demands action to assure that the economy will function in such a way as to assure reasonably adequate shelter for all people on terms consistent with their financial abilities. Social standards expressed through political action have carried society away from the harsh arbitrament of the market place. The spokesmen for "industry" claim to be horrified by this growing governmental control over what was once a purely "business" matter. Yet, fittingly enough it was the demands of business itself which brought government into the housing field, and its continuing demands expand that interest. Not consumers, but the United States Building and Loan League, fought for and obtained the passage of the Federal Home Loan Bank Act, and other builder and lender interests have spearheaded the drives for subsequent legislation. For years the business interests concerned with housing have been building effective machinery for political action. They have institutions to reconcile divergent industry points of view and to provide staff work and tactical planning for the guidance of their members, and they are organized at the grass roots. Their informational activities have given the appearance of consistency to their anomalous position of seeking further aid while resisting the extension of government programs.

In the absence of any comparably organ-

ized and sustained consumer representation in Washington, it is understandable that both the Congress and the Executive should have been heavily influenced by the expressed desires of industry. As a result, legislation has more often been focused on protecting and improving the position of builders or lenders than on emphasizing the interests of borrowers or home owners. Congressional attitudes have thus reinforced the "normal" tendency of administrative agencies to adopt a sympathetic attitude toward the problems of their special clienteles. In this climate the agencies have quite naturally developed "a cooperative alliance with industry" in spite of occasional criticisms that their policies did less than justice to the public interest.

The executive like the legislative branch has been caught in a squeeze between the popular desire for an "answer" to the housing problem and the resistance of the industry to any alteration in the existing power and benefit relationships. Housing has been and probably will remain one of the most important domestic political issues, involving the resolution of conflicts between large economic interests and the meeting of urgent human needs. Yet the issue has been treated as a stepchild in the highest councils of political strategy, receiving only intermittently the attention which its political importance warrants. Under these circumstances, executive attempts to resolve policy issues must have led to impossible tensions and a steady movement of housing administrators in and out of Washington.

When thinking about housing had progressed to a point where basic housing problems could be laid before the Congress in an organized way and comprehensive solutions sought, the political issues involved were temporarily obscured by the attempt of both the Administration and congressional leaders to keep housing legislation a bipartisan matter. The Wagner-Elender-Taft bill as introduced in 1945 was a bipartisan product and, like the Employment Act of 1946 with which it has close relationships, it was a pioneering attempt to get the Congress to decide on a general overall housing policy which would be a guide both to the executive branch in its administration of the housing program and to future Congresses in their further consideration of par-

ticular measures. Both Democratic and Republican Congresses have had an opportunity to settle upon a postwar housing policy. Neither has been able to do so, largely because of the intense political pressure exerted by the well organized lobbies. It is difficult to believe that housing will not be a major issue of party politics during the 1948 political campaign.

But issues more fundamental than housing are at stake. In a host of fields from agricultural prices to railroad fares and housing the "automatic" distribution system of the free market has given way to the decisions of our elected representatives. The actions of an overwhelmingly Republican Congress on sugar, wool, copper, and zinc, as well as on housing, have demonstrated that this is no New Deal trend to be reversed by a return to "normalcy." The fact is that the Congress is already knee deep in the problems of political price setting in a mixed economy at a time when our political as well as our administrative machinery is relatively undeveloped for the tasks involved. Both the Executive and the Congress must bear increasing responsibilities for planning policies, developing legislation, and establishing administrative machinery which will channelize into consistent and workable patterns a host of particular pressures and which will put particular interests into the service of the general welfare in both general and specific economic and social programs.

The most decisive domestic challenge to democracy today is whether it has the capacity to make that system work.

Consumer groups may never have the organized representation which the producer groups have in Washington. Nor can we be sure that the contending pressures of national lobbies will result in action rather than inaction. The friendly rivalry of our American two party system creates potentials both for strengthening and for avoiding accountability to the public on broad economic issues. In Washington, housing is a "problem," remote and complex. Back home it is a family living in the garage next door. A democratic society can have no assurance that its best interests will be steadily advanced unless its citizens are alert, fully informed on issues, and organized for political action. These considerations suggest the increasing necessity of a much higher degree of local responsibility, administrative and political, for housing. At the local level citizen concern with housing problems must and can be reflected in effective citizen awareness, organization, and action. The future of housing is linked on the one hand with the future stability of our national economy and on the other hand with the health of local communities and their governments. Through politics and administration these two can be linked in a mutual advancement of the general welfare.

News of the Society

The Next ASPA Conference

March 12-14, 1948—Friday through Sunday

STATLER HOTEL, WASHINGTON, D. C.

The Society will schedule its 1948 meeting alone, as in 1947, in order that public officials and teachers and students of administration may have ample opportunity to discuss their mutual problems and interests.

An announcement giving further details will be mailed to each member when program plans are developed. Watch for this preliminary announcement in January.

INTERNATIONAL CONFERENCES, 1947

The Society was represented at three important international congresses this past summer.

The 8th International Management Congress was held in Stockholm 3-8 July. It had a total attendance of 1,200 delegates from 40 countries; the American delegation numbered 80. The papers submitted fill two printed volumes of almost 1,000 pages. Although predominantly stressing private management, approximately ten per cent of the space is devoted to public administration. The Society is a member of the National Management Council which in turn is the American member of the Comité International d'Organisation Scientifique (CIOS) which sponsored the Management Congress. American papers in the field of public administration were submitted by Gordon Clapp and David Lilienthal, Herbert Emmerich, John J. Furia, and Donald C. Stone.

The 7th International Congress of Local Authorities met at UNESCO House in Paris 6-12 July. The principal topics were: local autonomy, civic education, and urban redevelopment and reconstruction. American papers were contributed by Rowland Egger, Charles E. Merriam, Walter H. Blucher, Herbert Emmerich and William C. Rogers, and Earl D.

Mallery. In addition to three mayors from the United States and one from Canada, there were delegates from "1313" organizations, Kansas, New York, and Washington. The emphasis of this congress was predominantly on the plight of war-stricken municipalities. A group of American officials from Germany brought the American attendance to approximately 25 delegates out of a total of 300 from 21 countries. M. Emil Vinck is secretary director-general of the International Union of Local Authorities at 5, rue de la Régence, Brussels.

The 7th International Congress of Administrative Sciences took place in Berne, Switzerland, 22-30 July. Nearly 800 delegates from 50 countries were registered. About 15 delegates from the United States and 35 American officials from Germany attended, making a total United States delegation of 50. The State Department appointed an official American delegation whose chairman was Donald C. Stone. Formal papers were contributed on the main topics of the congress by Americans, as follows:

1. "The Postwar Tasks of Government and the Administrative Lessons of the War," Herbert Emmerich.
2. "The Chief of the Government and the Organization of His Department," Fritz Morstein Marx.
3. "Organization of Civil Servants and Their Relation to Administration," James Mitchell.
4. "The Position of Regional and Local Authorities in Regard to the Central Authorities," William Anderson.

The American Society for Public Administration is a corporate member of the International Institute of Administrative Sciences. M. Edmond Lesoir, rue Juliette Wytsman 47, Brussels, is secretary general of the Institute. Professor Leonard D. White, President of the Society and chairman of the American Section of the Institute, was elected an honorary vice-president of the Institute, and Mr. Herbert Emmerich a vice-president. Dr. Oscar Leimgruber, chancellor of the Swiss Confederation, was elected president for a two-year term.

All of these organizations have their headquarters in Brussels. The International Union of Local Authorities and the International Institute of Administrative Sciences, together with the International Federation of Housing and Town Planning, are in process of restoring their joint headquarters there and their "common services." With Rowland Egger acting as adviser, UNESCO recently entered into a contract with these three organizations through their "common services" for a survey of the possibilities of international exchange of administrative personnel. Mr. Morris Hirsch of Chicago has been offered the temporary secretary generalship of the International Federation of Housing and Town Planning and in October left for England and Belgium to survey the possibilities of developing its secretariat.

CHAPTER NEWS

California—Sacramento Chapter

The Sacramento Chapter met for luncheon on June 19 with about ninety-five members and guests present. Pat Hetherton, economic analyst for the U. S. Department of Commerce, in a talk on the "Distribution of Governmental Functions Between Federal, State, and Local Governments," urged that states put more emphasis on states' responsibilities and less on states' rights.

California—University of Southern California Chapter

A chapter established at the University of Southern California has held two meetings, adopted a constitution, and elected officers as follows: *President*, Harry A. Marlow, student; *Vice President*, Donald R. Sterling, student; *Secretary*, J. Jean Denny, Civic Center Divi-

sion, School of Public Administration; *Treasurer*, Gifford W. Miller, research assistant, Office of the Mayor of Los Angeles.

President Leonard D. White met with the group on July 3 and talked informally on trends in public administration.

District of Columbia—Washington D. C. Chapter

The Washington D. C. Chapter opened the program year with a dinner meeting October 8 at which Leon H. Keyserling, vice chairman of the President's Council of Economic Advisers, addressed members and guests on "Organizing for National Economic Programs."

Illinois—Roosevelt College Chapter

During the summer the newly formed Roosevelt College Chapter sponsored two meetings. On June 9 Samuel Barron, formerly senior official in the British Embassy, Washington, D. C., spoke on "The British Civil Service Today." On July 30 Harvey Sherman and William Divine, representing the management improvement branch, division of administrative management, U. S. Bureau of the Budget, gave a detailed account of "Industrial Management Techniques in Governmental Administration."

On October 22 Leonard D. White, president of the national Society, talked on "Contemporary Problems of Federal Administration." Following the discussion new officers were elected: *President*, Milton Friedland; *Vice President*, Michael R. Kundrat; *Secretary-Treasurer*, Margery E. Greenebaum; *Directors*, Arthur Goren, Carl Klein, Sterling Jones, and George Watson. All are students with the exception of Dr. Watson, the faculty adviser.

Indiana—Indiana University Chapter

At a meeting called this summer by John E. Stoner, Department of Government, Indiana University, students at the University decided to organize a chapter of the Society. On July 30 a constitution was adopted and officers were elected as follows: *President*, Maurice B. Kirk, Bureau of Governmental Research; *Vice President*, David S. Taylor, Department of Government; *Secretary-Treasurer*, Patricia A. Quinn, Institute of Training for Public Service.

Kentucky—Kentucky Chapter

The first meeting of the program year of the Kentucky Chapter was held October 14 in Frankfort with a panel discussion on the problems common to city, county, state, and federal administrators and students. Each participant introduced the problem most perplexing to him and an open forum followed.

Minnesota—Minnesota Chapter

On June 18 the Minnesota Chapter held a dinner meeting at the Coffman Memorial Union with about forty-five members and guests present. Herbert E. Stats, president of the Lowry Hotel Corporation and formerly assistant to the Secretary of the Treasury, spoke on "Management Improvement Trends in Federal Government."

Oregon—Oregon Chapter

During his visit to the Pacific Coast this summer, the President of the Society, Leonard D. White, attended and spoke informally at a dinner meeting of the Oregon Chapter on July 10.

Pennsylvania—Philadelphia Regional Chapter

The October 7 meeting of the Philadelphia Regional Chapter was the second in a series of meetings devoted to subjects related to the day-by-day work of members. Perry M. Oliver, formerly director of administrative services, Immigration and Naturalization Service, led the discussion on "Employee Incentives." About 50 federal, state, and local public officials from Pennsylvania and New Jersey and academic people from the University of Pennsylvania and Temple University attended. The following chapter officers were elected: *President*, James C. Charlesworth, University of Pennsylvania; *Vice President*, Charles R. Mesick, New Jersey Civil Service Commission; *Directors*, Robert B. Mitchell, Philadelphia Planning Commission; Raymond S. Short, Temple University; William B. Schmalzried, Radnor Township Assistant Secretary; and Raymond Jacobson, U. S. Civil Service Commission.

Utah—Utah Chapter

Officers of the Utah Chapter and a number of guests met in Salt Lake City for luncheon July 23 upon the occasion of a visit from President Leonard D. White.

Washington—Puget Sound Chapter

The Sponsoring Committee in the State of Washington held a dinner meeting July 15 to which not only Society members but all persons interested in public administration were invited to meet Dr. White and to participate in a discussion which he led on "Recent Trends in Public Administration."

At a business session following the discussion, the Puget Sound Chapter was organized. Officers are to be elected at a later meeting.

Prospective Chapters

The organization of chapters is being contemplated:—

In Berkeley, where the officers of the San Francisco Bay Area Chapter and a number of students in public administration at the University of California met for luncheon with Leonard D. White on July 7 to discuss the formation of a chapter on the campus of the University of California.

In Los Angeles, where a junior chapter is being considered on the campus of the University of California at Los Angeles. Officers of the Southern California Chapter are preparing a special students' project for the junior group.

In Evanston, where Charles S. Hyneman is planning to organize a chapter on the campus of Northwestern University.

In Oklahoma, where Raymond F. Thomas, dean of the School of Commerce, and E. Foster Dowell, Department of Political Science, Oklahoma A & M College, are interested in forming a statewide group.

In Tennessee, where Lee S. Greene, University of Tennessee; Lawrence Durisch, Tennessee Valley Authority; and Henry Williams, Vanderbilt University, constitute an organizing committee for a Tennessee Chapter.

In Virginia, where William C. Rogers and Weldon Cooper, Bureau of Public Administration, University of Virginia, are working on an all-university chapter.

Your current position? Most members of the Society have been faithful in notifying the secretariat of changes of address. However, when changing to a home address in a new locality, members do not always tell us about their new jobs. Drop a card to the secretariat if you have changed your work this year, please.

